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U.S. CRITICIZES SUGGESTED LAWYERS' RESTRICTIONS

OW180105 Tokyo KYODO in English 0055 GMT 18 Dec 85

[Text] Washington, Dec. 17 KYODO -- The Office of the United States Trade Representative (USTR) Tuesday criticized the Japan Federation of Bar Associations (Nichibenren) for demanding restrictions on the opening up of Japan's legal services market to foreign lawyers. Nichibenren decided last week to recommend to the Japanese Government that foreign lawyers be allowed to practice in Japan with some conditions. USTR sees little indication that U.S. concerns have been taken into account by Nichibenren, the statement said.

Under the conditions attached, non-Japanese lawyers would be required to handle only laws relating to their own country, and would be placed under Nichibenren's guidance and supervision. They would also be banned from employing Japanese attorneys or running an office jointly with Japanese lawyers.

The USTR statement said, "the liberalization of trade in services, including legal services, is an important aspect of resolving trade frictions between the United States and Japan." "Nichibenren's recent resolution is a marked step backward in achieving these aims," it said.

USTR asked the Japanese Government not to accept Nichibenren's recommendations, and to assist the U.S. in eliminating the "unnecessary regulations and constraints that exist on foreign lawyers in Japan." The Tokyo government promised to properly open the country's legal service market in its July trade action program.

ABE VOWS TO EASE U.S. TRADE FRICTION 'THIS YEAR'

OW171055 Tokyo KYODO in English 0918 GMT 17 Dec 85

[Text] Tokyo, Dec. 17 KYODO -- Former U.S. Senate Majority Leader Howard Baker warned Tuesday the coming new year will be a tough one for Japan-U.S. trade relations because of persistent protectionist sentiment in Congress and mid-term elections. Baker, one of potential presidential candidates in 1988, issued the warning in a meeting with Foreign Minister Shintaro Abe, a senior Foreign Ministry official said.

Abe asserted that Japan has taken various steps to improve access to the Japanese market by foreign products and that effects will begin to be felt in bilateral trade later next year.

Baker, a former Republican senator from Tennessee, cautioned against overoptimism in Japan over trade tension stemming from America's huge trade deficit and conveyed to Abe the escalating political pressures in Congress, the ministry official said. He also emphasized that the U.S. Congress is doing more than "crying wolf" and that the strong "Ron-Yasu" bond between President Ronald Reagan and Premier Yasuhiro Nakasone has barely sustained normal trade relations.

In 1984, the United States suffered a trade deficit of 123 billion dollars, including about 37 billion dollars with Japan.

Baker, now a member of the Merrill Lynch Advisory Council, nevertheless hailed Japan's decision to accept the giant U.S. securities concern as a member of the Tokyo Stock Exchange and told Abe he has encouraged by progress in talks on the U.S. cargo carrier Federal Express' entry into the Japanese market.

The foreign minister noted that the Japanese parliament recently passed legislation to ease regulations to promote imports. The ministry official said Abe also pledged his resolve to settle the trade dispute with the U.S. in four sectors "within this year." The four sectors are telecommunications, electronics, forest products, pharmaceuticals and medical equipment.

Abe and Baker also discussed last month's U.S.-Soviet summit in Geneva, Japan-Soviet relations, the Middle East and South Africa, the ministry official said.

TRADE TALKS WITH ROK END 'WITHOUT AGREEMENT'

OW171133 Tokyo KYODO in English 1050 GMT 17 Dec 85

[Text] Tokyc, Dec. 17 KYODO -- Japan and South Korea ended two days of trade talks Tuesday without agreement on ways to correct their chronic trade imbalance, which topped 3 billion dollars last year.

The only major accord they reached during the meeting at the Foreign Ministry here was on the promotion of a new round of multilateral trade negotiations under the General Agreement on Tariffs and trade (GATT).

A ministry official said South Korea called on Japan to trim tariffs on about 40 industrial and agricultural goods such as apparel and fish and to simplify inspection procedures for cement and ship exports to Japan. In addition, South Korea requested Japanese cooperation in a 1987 "made in Korea" export promotion fair in Japan, as well as in the training of Korean engineers at Japanese private concerns, and of Korean engineers with PhDs at public laboratories, the official said.

Unlike trade talks in the past, the official noted, the Korean delegation, led by Kwon Pyong-hyon, head of the Foreign Ministry's Asian Affairs Bureau, took "a less confrontational attitude" to ease trade friction with Japan. South Korea's trade deficit with Japan came to 2.6 billion dollars in 1983, 3.0 billion dollars in 1984 and 2.1 billion dollars in the first nine months of this year.

The Kwon group and the Japanese delegation, led by Michihiko Kunihiro, director general of the Foreign Ministry's Economic Affairs Bureau, reaffirmed that the two countries will officially sign a science and technology cooperation agreement in Seoul Friday. The two countries initialed the pact in August. The South Koreans called for the early creation of a committee to facilitate such cooperation during the meeting, the 18th since the two countries normalized diplomatic relations in 1965.

Despite what one Japanese delegate called South Korea's "tough demands," the Kunihiro delegation declined to comply with the specific requests.

In turn, a Foreign Ministry official said, Japan called for the removal of South Korea's import restrictions on some 160 items, including trucks and refrigerators, and an improvement in the investment climate in South Korea through lifting of the limits on capital goods and clarification of the tax system. The official said Japan will send an investment mission to South Korea and an investigative mission for training center project in January.

The official noted that about 116 South Korean engineers have been in Japan this year for training sessions of three to six months at Japanese companies.

South Korea is now requesting that Japan accept 15 PhD holders in engineering to undergo high-level training at state-run institutes.

The 1987 "made in Korea fair" will be jointly sponsored by the Korea Trade Promotion Corp. and the Japan External Trade Organization (JETRO).

ABE NOTES 20TH ANNIVERSARY OF ROK-JAPAN TIES

OW171117 Tokyo KYODO in English 1047 GMT 17 Dec 85

[Text] Tokyo, Dec 17 KYODO -- Foreign Minister Shintaro Abe Tuesday issued a message celebrating the 20th anniversary of normalized Japan-South Korea relations and pledging Japan's continued efforts for friendly and mature ties between the two countries. In the message, Abe congratulated what he called South Korea's "unprecedented" remarkable development over the two decades and its securing of such a solid international role that it has been picked to host the 1988 Summer Olympics. Japan respects the positive and sincere attitude shown by South Korea toward dialogue with North Korea and will continue to extend Japan's support for such efforts by South Korea, Abe said.

Relations between Tokyo and Seoul have been steadily developing, not only on the government-to-government level but also in a wide range of fields such as trade and economic and cultural exchange on the people-to-people level since the two countries normalized relations with the bilateral basic treaty which took effect on December 18, 1965, Abe said. The bilateral friendly relations have become stable and mature with the exchange of visits by Prime Minister Yasuhiro Nakasone to Seoul in 1983 and President Chun Tu-hwan to Tokyo in 1984, Abe said.

During the two decades, various problems have arisen between the two countries, but they were solved each time through the spirit of sincerity and effort on both sides, as proved in the more than 10 years of negotiations leading to the 1965 normalization, he said.

NAKASONE READY TO 'SOFTEN' OFFICIAL SECRETS BILL

OW161047 Tokyo KYODO in English 1039 GMT 16 Dec 85

[Text] Tokyo, Dec. 16 KYODO -- Prime Minister Yasuhiro Nakasone indicated Monday that the ruling Liberal-Democratic Party has no intention of dropping a controversial official secrets bill but is ready to soften its contents, officials said. Nakasone outlined the LDP position in a meeting with Yohei Kono, leader of the New Liberal Club, LDP's coalition partner, political sources said.

Kono reportedly asked Nakasone to handle the bill "with prudence," indicating that the NLC may support the LDP if the bill comes up to a vote at the Diet before the current session adjourns this Saturday. The NLC holds a crucial swing vote in the Diet committee in charge of the bill, and a negative NLC vote could kill the bill in committee stage.

The bill, which carries stiff penalty for illegal disclosure of official secrets, has been opposed by the Japanese mass media and the Bar Association as a threat to freedom of speech. Nakasone told Kono that he was aware of widespread opposition to the official secrets bill and the LDP was ready to tone down its penalty provisions and the range of official documents to be protected by the bill, the sources said.

KIM IL-SONG LAUDED FOR NONALIGNED MOVEMENT WORK

SK170916 Pyongyang Domestic Service in Korean 2143 GMT 15 Dec 85

[NODONG SINMUN 16 December special article: "The Nonaligned Movement Will Advance Vigorously"]

[Text] Ten years have passed since the great leader Comrade Kim Il-song published his classic work "The Nonaligned Movement Is a Mighty Anti-Imperialist Revolutionary Force of Our Times." The great leader Comrade Kim Il-song published this work in the first issue of "A Third World Manual," a magazine published in Argentina, on 16 December 1975. In those days, the Nonaligned Movement, which emerged on the stage of history as an independent political force, was exercising considerable influence, steadily growing with the passage of time, and was inflicting considerable damage to the imperialists' aggression and plunder, encouraging and advancing the revolutionary struggle of the oppressed people and the peoples of the developing countries. In the meantime, the imperialist reactionary forces, fearful of the strengthening and developing of the Nonaligned Movement, were craftily maneuvering to weaken and demolish from within its position and role.

The great leader Comrade Kim Il-song's work, which was published at such a time, was a programmatic guideline aimed at further strengthening and developing the Nonaligned Movement. The great leader Comrade Kim Il-song clarified, in this work, the position, characteristics, nature, and mission of the Nonaligned Movement and set forth the ways and tasks for the strengthening and developing of this movement.

During the 10 years since its publication, the great leader Comrade Kim Il-song's work has created great repercussions and powerfully promoted the development of the Nonaligned Movement. The justness and great vitality of the ideology and policy of the Nonaligned Movement which the great leader Comrade Kim Il-song clarified in his work have been clearly proven through practice. For the past 10 years, the situation of the Nonaligned Movement both at home and abroad has been complicated. In the course of advance, the Nonaligned Movement has experienced a series of vicissitudes. Yet the Nonaligned Movement has steadily followed the road of development and has made an important contribution to the development of the world situation and the settlement of international problems through its activities.

The Nonaligned Movement has adhered to the banner of unity and has continuously expanded its ranks. This is one of the greatest accomplishments of the Nonaligned Movement during the past 10 years. The imperialists maneuvered publicly and privately to divide and disintegrate the Nonaligned Movement from within and to weaken its influence. Taking advantage of a series of disagreements and regional disputes between the nonaligned countries, they cunningly maneuvered to separate some of the nonaligned countries from this movement, to make the countries fight against each other, and, by so doing, to fish in the troubled waters.

Yet the Nonaligned Movement has not been divided or disintegrated but expanded its ranks, with many more countries joining the movement. During the past 10 years the membership of the Nonaligned Movement has increased from some 80 countries to some 100 countries. Today, the Nonaligned Movement has been expanded to a very extensive worldwide movement and grown and been strengthened to a mighty revolutionary force. In his work "The Nonaligned Movement Is a Mighty Anti-Imperialist Revolutionary Force of Our Times," the great leader Comrade Kim Il-song proclaimed the principle of chajusong as a basic principle to be maintained by the nonaligned countries.

The Nonaligned Movement is essentially a movement for chajusong, and, therefore, maintaining chajusong comprises the basic content of the Nonaligned Movement.

The basic principle that unites the nonaligned countries is chajusong. The Nonaligned Movement has been able to maintain the banner of unity under the condition whereby the imperialists intensified their maneuvers to destroy this movement, because many of the member countries remained faithful to this principle and ideal. There was prevailing enthusiasm in the Nonaligned Movement to maintain the unique characteristics of the movement, to remain faithful to its principles and ideal, to oppose the interference of foreign forces, and to maintain chajusong, and there was heightened awareness of unity. This was clearly proven by the meeting of the foreign ministers of the nonaligned countries held in Luanda in September this year which repelled the imperialists' pressure aimed at alienating the Nonaligned Movement from its original purpose and which reconfirmed the basic principles and purpose of the Nonaligned Movement.

Numerous nonaligned meetings have been held since 1976, including three nonaligned summit meetings, several foreign ministers meetings, and meetings of coordinating committees. These meetings discussed the tasks for the Nonaligned Movement at issue at the time of each meeting and the problems of common interest, and adopted just resolutions. In the process, the nonaligned countries inflicted considerable damage to the imperialists policy of aggression and war and scored an advance in the construction of a new society. In particular, the scope of the economic and technological cooperation and exchanges has been expanded and strengthened. A series of steps have been taken to develop bilateral and multilateral cooperation among the nonaligned countries, to strengthen regional cooperation, and to expand the economic and technological cooperation based on the Nonaligned Movement, and meetings were held by sectors to realize this.

Our country hosted the second meeting of the coordination department of the food and agricultural sector of nonaligned countries, the symposium of the nonaligned and developing countries for increasing the production of food and agriculture, the seventh meeting of the (?pool) coordinating committee of the league of communications personnel of the nonaligned countries, the first meeting of the education and culture ministers of the nonaligned and developing countries, and the meeting of irrigation experts of the coordinating departments of the food and agricultural sectors of the nonaligned countries. Cooperation and exchanges such as these provide substantial assistance to the nonaligned countries in the construction of a new society.

The past 10 years since the great leader Comrade Kim Il-song published his work have been 10 years of advancement and development for the Nonaligned Movement and 10 years during which the might of this movement has been well demonstrated. The Nonaligned Movement is a movement that opposes domination and subjugation of all types, aggression, and inequality, and that aspires for the construction of an independent and prosperous new world. Today, even more difficult and sacred tasks have been set forth for the Nonaligned Movement. The great leader Comrade Kim Il-song has taught: The nonaligned countries will realize the noble ideal and objective of the Nonaligned Movement by vigorously waging the joint struggle against the imperialists under the banner of anti-imperialist struggle for independence, will contribute greatly to the cause of world peace and the liberation of mankind, and will certainly construct a world free from imperialism, colonialism, and aggression and plunder of all types -- a new prosperous world.

The most important task for the Nonaligned Movement at present is to prevent the danger of a new world war and to defend world peace and security. Because of the imperialists' maneuvers for aggression and war, the international situation today is extremely tense, and the danger of a new world war, a thermonuclear war, is increasing daily. Mankind is at the important crossroads of war and peace. The prevailing situation demands that the world's peace-loving people unite among themselves, oppose the imperialist policy of aggression and war, and vigorously wage a struggle to defend peace.

As the great leader Comrade Kim Il-song proclaimed in his work, the Nonaligned Movement is a mighty movement that opposes imperialist and colonialist aggression and plunder. Apart from the struggle against war and for peace, we cannot mention the realization of the objective of the Nonaligned Movement. All nonaligned countries should actively struggle, joining the struggle against war and for peace, to check and frustrate the imperialists' maneuvers for arms buildup and nuclear war and to realize the complete abolishment of nuclear weapons. It is also important to disband all aggressive military blocs, to abolish all foreign military bases in other countries, and to establish and expand non-nuclear zones and peace zones.

The nonaligned countries should also oppose imperialism, colonialism, neocolonialism, racism, Zionism, and all other forms of aggression, interference, domination, subjugation, and inequality and actively support and assist the people's struggle for freedom, independence, and the creation of a new life.

If the nonaligned countries wage a strong struggle against war along with the socialist forces and all other peace-loving forces of the world, war can be prevented and peace defended. Another important question for the nonaligned countries is to achieve economic self-reliance and to establish a new international economic order by eliminating the old international economic order, as the great leader Comrade Kim Il-song declared. Today, many peoples of the nonaligned and developing countries are suffering extreme agonies because of starvation and poverty, and many countries are burdened by heavy debts. These ever-deepening problems can be solved only when economic self-reliance is achieved and when a new international economic order is established.

The most effective way for the nonaligned countries to achieve economic self-reliance and establish a new international economic order is to realize South-South cooperation. While mobilizing their own potential and resources, the nonaligned countries must develop multi-sided collaboration and exchanges on the basis of the principle of collective self-reliance. The areas in which the nonaligned countries can realize South-South cooperation are wide, and there are ample conditions and possibilities. The nonaligned countries have also gained considerable experience in their economic and technical cooperation and exchanges. It is important for the nonaligned countries to take even more practical and active steps to realize South-South cooperation first in the urgent areas and in solving urgent problems and to make joint efforts to implement them. Only then can the nonaligned countries achieve the prosperity of their nations by freeing themselves from starvation and poverty and by overcoming economic difficulties.

To successfully accomplish its honorable mission and task, the Nonaligned Movement must strengthen its might and enhance its role. The future of the Nonaligned Movement depends upon how its member-countries defend the fundamental principle of the movement and how they strengthen their unity. Unity is the source of the might of the Nonaligned Movement, and is a decisive guarantee for the victory of the anti-imperialist cause for independence.

Without unity, the Nonaligned Movement cannot accomplish its mission before the era and history. As in the past, the nonaligned countries must counter the disrupting and alienating maneuvers of the imperialists with the strategy of unity, thus placing unity always in the first place and making everything serve the cause of unity. Keeping in step with one another and ensuring unanimity in the international community on the part of the nonaligned countries are a precondition for strengthening the might of the Non-aligned Movement. As a prestigious member-nation of the Nonaligned Movement, the DPRK has always been faithful to the noble idea and principle of the Nonaligned Movement, and exerted all efforts to strengthen and develop the movement. We will continue the same efforts. The entire course through which the Nonaligned Movement has expanded and developed gives us the conviction that this movement will further grow and develop in the future. The Nonaligned Movement will be continuously victorious, and will vigorously move forward along the single road of opposing imperialism and seeking independence.

CPRF WHITE PAPER ON SOUTH'S FOREIGN DEBTS

SK170513 Pyongyang KCNA in English 0450 GMT 17 Dec 85

[text] Pyongyang December 17 (KCNA) -- the Secretariat of the Committee for the Peaceful Reunification of the Fatherland issued a white paper on December 16 condemning the Chon Tu-hwan puppet clique's treacherous policy of reliance upon foreign capital and indicting the puppets for having turned South Korea into a biggest international debtor in the world. The white paper notes that no sooner had the Chon Tu-hwan group seized power than it further stepped up the induction of foreign capital for the militarisation of the economy under the fictitious pretext of "threat of southward invasion" and is lately more zealously pursuing the policy of inducing foreign capital for war against the North behind the screen of the North-South dialogue, and says:

Up to this day since 1981 the Chon Tu-hwan puppet clique has drastically revised the "law on induction of foreign capital" and its "enforcement regulations" over 10 times to pave the way for random induction of foreign monopoly capital. As a result, the rate of liberalisation of trades for liberal foreign investments has risen from 66.1 percent to 76.3 percent. The foreign debts of South Korea rose from 20,500 million dollars in 1979, the closing year of the traitor Pak Chung-hui's regime, to 27,300 million dollars in 1980, to 32,400 million dollars in 1981, to 38,000 million dollars in 1982, to 40,900 million dollars in 1983, to 50,000 million dollars in 1984 and to 51,600 million dollars at the end of September. This means that the traitor Chon Tu-hwan induced in five years of his regime foreign loans to the tune of over 30,000 million dollars, 1.5 times those induced by the traitor Pak Chung-hui in 18 years of his regime.

Pointing out that the Chon Tu-hwan puppet clique has followed the disastrous policy of foreign capital induction in a bid to prop up the South Korean economy in a catastrophic position, the white paper says: As the foreign debts of South Korea have increased due to the Chon-Tu-hwan puppet clique's ruinous policy of inducing foreign capital, it becomes all the more difficult for South Korea to pay its principal and interest. South Korea's payment of the principal and interest which amounted to 1,513 million dollars in 1979, the closing year of the "Yusin" dictatorship, jumped to 6,600 million dollars in 1984. In consequence, the rate of South Korea's burden for the payment of the principal and interest reached 24.4 percent in 1984, surpassing by far the 20 percent mark called a danger level. The payment of the principal and interest this year is expected to be 7,900 million dollars, 1,100 million dollars greater than the planned amount of foreign capital induction.

Pointing to the true picture of "national ruin caused by induction of foreign debts," the white paper says: The Chon Tu-hwan puppet clique's treacherous and subjugating moves for the induction of foreign capital have produced catastrophic consequences.

The proportion of their capital in the South Korean enterprises is less than 20 percent and that of their debts is 1,000 percent at present. Due to the shortage of capital and loans, an increasing number of enterprises are going bankrupt. The Tongmyong timber and Taechang timber, South Korea's leading plywood enterprises, went bankrupt in 1980, the Ilsin steel in 1982, the Myongsong group in 1983, a factory of the Taehwa Company in 1984 and the Kukje group, one of the 10 leading financial groups, in February this year. In particular, minor enterprises are going bankrupt en masse owing to a huge amount of debts and financial difficulties. This year the number of bankrupt minor enterprises in South Korea chalked up a new high over the past 4 years. As of the end of October, 1,913 business bodies had suspended operation or closed down their doors. The continued bankruptcy of big and minor enterprises has caused a sharp drop in production and the vast increase of unemployment. The growth rate of South Korea's export in the first half of this year has recorded minus figures since 1980 and the economic growth rate has been on the lowest level since the second quarter year of 1981. Today the unemployed and semi-unemployed number more than 7 millions in South Korea.

Pointing out that the Chon Tu-hwan puppet clique is hard at work to tide over the serious crisis caused by foreign debts, the white paper says: The puppets are intensifying the plunder of the working people through taxation as never before. The amount of taxes wrested from the people grew from 4,736,700 million won in 1979 to over 5,807,000 million won in 1980, to over 8,165,000 million won in 1981 and 11,819,900 million won this year. The kinds of taxes number over 360 in South Korea. According to a recent announcement of the South Korean puppets, the tax burden per head of the population rose from 7,580 won to 150,039 won from 1968 to 1980 and as much as to over 328,000 won this year. This means that each family of five members has to pay 1.64 million won of taxes.

To lessen the huge burden of foreign debts, the South Korean puppets are trading off South Korean people to foreign countries under the name of "emigration" and "manpower export" and permitting themselves at "kisaeng girl tourism" and "prostitution tourism" to earn money by selling off the chastity of South Korean women. The puppets scheme to trade off more than one million South Korean inhabitants to 83 countries from 66 at present to earn foreign currency during the so-called "economic-social development plan". They have drawn up even a "tourist resources development plan" and built more than 70 tourist agencies in one year of 1983 and increased their number to over 200 this year to make thousands of South Korean women a plaything of the foreign lewd.

The serious economic bankruptcy caused by the South Korean puppets' induction of foreign capital and their harsh plunder have plunged millions of poor people into the depth of extreme hardships of living. At present the abject poor number 6.6 million in South Korea. And more than 60 percent of the entire workers are barely keeping body and soul together on starvation wages less than one-fifth of the minimum living cost. Noting that today South Korea has fallen deeper into the depth of hell of human lives saddled with ruinous foreign debts, the white paper stresses that this is a result of the U.S. imperialists' policy of colonial subjugation towards South Korea and the policy of foreign capital induction pursued by the Chon Tu-hwan clique of traitors.

NKDP PRESIDENT COMMENTS ON SIGNATURE CAMPAIGN

HK180633 Hong Kong AFP in English 0544 GMT 18 Dec 85

[Text] Seoul, Dec 18 (AFP) -- South Korea's major opposition party is to campaign to collect 10 million signatures calling for a constitutional amendment to allow presidential elections by popular vote, it was announced today.

The New Korea Democratic Party (NKDP) would launch the signature collection campaign "to demonstrate that the majority of the people were supporting such a constitutional revision," NKDP President Yi Min-u told a press conference. The campaign target of 10 million signatures is half the total 20 million eligible voters in the country.

Mr. Yi accused the ruling Democratic Justice Party (DJP) of having "rejected" the people's desire by refusing to establish a parliamentary committee on the constitutional amendment. He recalled that his party, created only a month before a general election in February, had garnered strong voter support as it pledged to amend the Constitution to provide for a direct presidential election.

President Chon Tu-hwan was voted into office by an electoral college, which the opposition denounced as undemocratic.

Mr. Yi also accused the DJP majority of having railroaded next year's budget bill through parliament without the presence of opposition lawmakers during a 90-day regular sitting which ended today. More than 100 opposition deputies had been staging a sit-in strike at the National Assembly in an attempt to delay the bill, demanding that the DJP first guarantee to establish the parliamentary committee on the Constitution. However, the 148 DJP members passed the budget bill and other tax-related bills in a conference room, leaving opposition members outside.

Mr. Yi said he expected the government to try to obstruct the signature campaign "by mobilizing various methods including random hauling-away. However, I am sure we'll be able to overcome any difficulties on the strength of fervent support from the people."

It will be the first such campaign since the New Democratic Party (NDP) began a one-million signature campaign 12 years ago in opposition to then President Pak Chong-hui. That drive sputtered out after its leaders were jailed for violation of a national emergency decree.

A DJP spokesman today denounced the opposition's latest move as a "renunciation of parliamentary democracy." He said it showed "the opposition's real intention to seize power by violent means and not to hesitate in destroying constitutional order for power."

Struggle Set for Mid-January

SK180109 Seoul THE KOREA TIMES in English 18 Dec 85 p 1

[Text] The major opposition New Korea Democratic Party [NKDP, NDP] will embark on its envisioned out-of-parliament struggle for the constitutional amendment around mid-January next year, while pursuing negotiations with the ruling party to break the political logjam. The decision was made at a meeting of the Executive Council, the supreme decision-making body of the opposition party, presided over by NDP president Yi Min-u at the party headquarters yesterday. Yi will disclose the detailed line for the struggle in a news conference this morning.

As a way to push the struggle in a more effective fashion, the NDP will replace the heads of about 15 local party chapters and complete the appointment of the low-echelon members of the Constitutional Revision Promotion Headquarters within this month. It will also seek closer collaboration with dissident groups, including the Council for the Promotion of Democracy led by Kim Tae-chung and Kim Yong-sam, to collect signatures for the basic law revision from 10 million people. NDP head Yi said that a couple of provincial chapters of the Constitutional Revision Promotion Headquarters will be set up by the end of this year.

ASSEMBLY PASSES 18 BILLS, MOTIONS WITHOUT NKDP

SK171016 Seoul YONHAP in English 0955 GMT 17 Dec 85

[Text] Seoul, Dec 17 (OANA-YONHAP) -- The South Korean National Assembly Tuesday passed 18 bills and motions related directly to the people's livelihood at its plenary session. Korea's ruling Democratic Justice Party and the minor opposition Korea National Party resumed the regular assembly session Monday to act on urgent bills and agenda items that affect the people's livelihood.

However, the nation's main opposition New Korea Democratic Party boycotted the session in protest against the collapse of interparty negotiations over the proposed formation of a special committee for the constitutional revision. The current 90-day regular session has been deadlocked since the ruling party unilaterally passed the budget and tax bills in the absence of opposition lawmakers on Dec. 2. The regular session is scheduled to end on Wednesday.

REPORTAGE ON 18TH ROUND OF TRADE TALKS WITH JAPAN

Technology, Markets Discussed

SK170844 Seoul YONHAP in English 0655 GMT 17 Dec 85

[Text] Tokyo, Dec. 17 (OANA-YONHAP) -- South Korean officials urged Japan to transfer high technology to Korea on the second day of the 18th Korean-Japanese talks here, officials said Tuesday. They also demanded that Japan open its market to Korean products and that it carry out the international division of labor on an equal level, in order to correct the chronic trade imbalance between the two countries. The Korean side pointed out that "Korea's trade deficit with Japan has grown to 30 billion U.S. dollars, accounting for 79.4 percent of its total trade deficit, since Seoul and Tokyo established diplomatic relations in 1965, the official said.

In the two-day annual trade meeting, the Korean delegates also urged Japan to include Korea in its imminent import expansion program. Under the program, 134 Japanese companies agreed to buy 7.4 billion dollars worth of foreign-made commodities, in order to decrease Japan's trade surpluses with foreign countries, according to the official. The Korean side also urged Japan to lower tariffs on industrial products, to abolish its import quota system, to reduce non-tariff barriers and to expand import preferential limits on textile products, the official said.

In response to the Korean demands, the Japanese side said it will actively help Korea increase its exports to Japan and explained Japan's market-opening plan, including the action program initiated last July.

The Japanese delegation also said it will consider the Korean proposals in the process of revising and complementing Japan's market-opening programs, the official said.

The Korean delegation to the trade talks was led by Kwon Pyong-hyon, director general of the Korean Foreign Ministry's Asian Affairs Bureau. Michihiko Kunihiro, director general of the Japanese Foreign Ministry's Economic Affairs Bureau, headed the Japanese team.

Reduced Tariffs Sought

SK180155 Seoul YONHAP in English 0144 GMT 18 Dec 85

[Text] Seoul, Dec. 18 (OANA-YONHAP) -- Korean officials Tuesday demanded that Japan reduce tariffs on Korean commodities and that it lower non-tariff barriers, in order to correct the chronic trade imbalance between the two countries. In bilateral trade talks held Monday and Tuesday in Tokyo, the Korean delegation urged Japan to cooperate in the development of Korea's parts industry and to train more Korean technicians, officials at the Korean Trade and Industry Ministry said Wednesday. The Korean delegates also asked Japan to abolish its import quota system for such Korean products as raw silk, twisted silk yarn, silk fabric, cotton yarn and some types of fish, including tuna. They also urged Japan to simplify customs inspection procedures. The Korean delegation asked Japan to allow Koreans to study Japanese trading systems and practices of Japanese trading companies and to step up the training of Korean engineers in Japan, the officials said.

The Japanese delegates did not accept any of the Korean requests, but agreed to study them, according to reports from Tokyo. The two sides agreed, however, to hold an exposition for Korean goods in Japan next year and to promote the sale of Korean goods in Japanese department stores five to six times per year.

The Korean delegation was led by Kwon Pyong-hyon, chief of the Foreign Ministry's Asian Affairs Bureau, and the Japanese side was headed by Michihiko Kunihiro, director general of the Foreign Ministry's Economic Affairs Bureau.

Sales Campaigns, Missions Agreed

SK180403 Seoul YONHAP in English 0320 GMT 18 Dec 85

[Text] Tokyo, Dec. 17 (OANA-YONHAP) -- South Korea and Japan have agreed to hold a trade fair for Korean-made goods in the second half of 1987 in Japan and to conduct sales campaigns for Korean products at Japanese department stores five or six times per year. The two countries have also agreed to exchange large-scale trade missions regularly, in an effort to redress their chronic trade imbalance. These were among the agreements reached at the 18th Korean-Japanese trade talks, held in Tokyo Dec.16-17.

During the talks, the Korean delegation demanded that Japan reduce tariff rates on 65 Korean-made commodities, including underwear, jackets and refrigerated strawberries; that Japan lower preferential tariff rates on 36 Korean goods, including ginseng products and bed clothes; and that Japan remove non-tariff trade barriers against 18 other Korean goods, including bags and gloves. The Korean delegation was led by Kwon Pyong-hyon, director general of the Foreign Ministry's Asian Bureau. Heading the Japanese delegation was Michihiko Kunihiro, director general of the Foreign Ministry's Economic Affairs Bureau.

The Japanese side agreed to favorably consider the Korean demands when and if Japan takes further liberalization measures. Regarding bilateral technology cooperation, the Korean side demanded that Japan increase the number of Korean technicians to be trained in Japan to 300 per year and that technologies for the development of parts be included in Japanese training programs for Korean technicians. The Japanese delegation promised to give those demands favorable consideration.

Under the Korean-Japanese Science and Technology Cooperation Treaty, to be implemented before the end of this year, a bilateral cooperation committee will be set up early next year, Korean chief delegate Kwon said.

A group of Japanese working-level officials plans to visit Seoul next month to help set up a Japanese technical training center. The training center will be supervised by the planned Korean-Japanese Science and Technology Cooperation Committee, he said.

The Japanese delegates accepted Korea's demand that training programs for Korean technicians be carried out by public organizations in Japan.

The two sides also agreed to cooperate in the formation of joint strategies against new protectionist measures in the forthcoming new round of multilateral trade negotiations, to expand exchanges of government officials and to hold joint seminars on bilateral cooperation in the 21st century.

The 19th Korean-Japanese trade talks are scheduled for the second half of next year in Seoul, the official said.

FOREIGN MINISTER ON NORTH'S 'ADVENTURISM'

SK170111 Seoul THE KOREA HERALD in English 17 Dec 85 p 1

[Text] Minister of Foreign Affairs Yi Won-kyong said yesterday that north Korea could take military adventurism against the south at any time, getting out of control of China and the Soviet Union. "Because of north Korea's geostrategic importance as a valued Communist neighbor, no one is certain that either China or the Soviet Union could restrain Pyongyang with an effective measure if and when north Korea got out of control and decided to attack the south," Yi said.

Yi noted that north Korea has yet to abolish its basic strategy to "liberate the south by all means," including resorting to the military option. He also suspected that Pyongyang has become increasingly impatient over the ever widening gap between the south and the north and particularly over steadily improving international status of the Republic of Korea.

He gave the remarks at a reception for participants in the fourth Korea-U.S. joint conference on Northeast Asia security that starts today. Yi said that Seoul will continue to seek dialogue with Pyongyang to reduce tensions and structure a more permanent peace-keeping mechanism in the Korean peninsula.

He went on to say that Korea should be on guard against precarious factors developing in Northeast Asia. He pointed out, among other things, increased exchanges of visits at high levels among north Korea, China and the Soviet Union.

Minister Yi also noted that north Korea and the Soviet Union have become closer and that Moscow has supplied north Korea with sophisticated modern weapons.

CHON ATTENDS MEETING ON ASIAN GAMES PREPARATION

SK180219 Seoul YONHAP in English 0210 GMT 18 Dec 85

[Text] Seoul, Dec. 18 (OANA-YONHAP) -- South Korean President Chon Tu-hwan said Tuesday that the successful hosting of the Asian Games should be the top priority of his administration in 1986. He made the comment at a meeting of cabinet members and sports officials at Chongwadae, the presidential residence, held to review preparations for the 1986 Asian Games and the 1988 Olympics.

Chon asked for the close cooperation of all government agencies preparing for the Asiad. He instructed the Seoul Olympic Organizing Committee (SLOOC), which is also organizing the 1986 Asian Games, to change its operating system into "an executive system" at the outset of next year, and to strengthen its ties with various sports associations. Chon said that the construction of sports facilities should be completed on schedule, without a hitch, and that every effort should be made to prevent "slipshod" construction.

Security precautions should be beefed up at all sports facilities to guard against acts of sabotage, such as bomb attacks, and travelers should be thoroughly checked at air and sea ports, the president added. Chon also told the SLOOC and other sports organizations to give particular attention to the volunteers working for the two international sports festivals, allowing them to work with patriotism.

Regarding the sale of television rights to the 1988 Olympic Games, Chon said; "there are fears that the games may be conducted in the red. Spending should be reduced as much as possible." He said that measures should be taken to promote the overseas sale of Olympic emblems, in an effort to boost Olympic revenues. Chon instructed the relevant ministries and the SLOOC to launch an effective publicity campaign, in order to give foreigners a better understanding of Korea. Through the Asian Games and Olympics, Korea will be able to upgrade its image in the international community, he added.

UNION MEMBERS IN INCHON SEIZE COMPANY OFFICE

SK140052 Seoul THE KOREA TIMES in English 14 Dec 85 p 8

[Text] Fourteen labor union members of the Dongbo Electric Co. in Inchon seized the managing director's office of the company yesterday, calling for the payment of all overdue wages and measures aimed at restoring the insolvent firm producing fluorescent lamps. Police entered the place where they had been squaring off with police and hauled away the protesting workers. Some of them jumped from the room to the safety net spread by police. No serious injuries were reported.

The 14 employes, including two female workers, stormed into the office on the second floor of the Inchon office at around 8 a.m. after climbing over a barbedwire fence. The fluorescent lamp maker suspended operations on Oct. 14 because of financial difficulties, according to business sources. The protesters, including Yi Hyong-bom, 27, leader of the labor union, disclosed that they had not received due monthly wages for two months before the business's suspension.

Written on paper plastered across windows said that the government should establish effective measures to prevent problems surrounding overdue wages and to solve unemployment problems. One hundred and forty employes of the total 180 were members of the company's labor union. The demonstrations also called on the leaders of the firm to set up measures to resume operation of the company.

FOREIGN MINISTRY SPOKESMAN REJECTS THAI CHARGES

BK180528 Phnom Penh Domestic Service in Cambodian 0430 GMT 18 Dec 85

[17 December statement by PRK Foreign Ministry spokesman]

[Text] According to foreign sources, Thai authorities recently accused Vietnam of using toxic chemical weapons in Cambodia. [Phnom Penh SPK in English at 1110 GMT on 18 December carries a 310-word statement issued on 17 December by the PRK Foreign Ministry spokesman rejecting Thai allegations that Vietnam used toxic chemical weapons in Cambodia. This version has been compared with and found identical to the Phnom Penh domestic version, except for the first sentence which reads: According to Western sources, Thai authorities recently accused Vietnam of using toxic chemical gas in Cambodia.] This is an insane accusation with bad intentions and no basis whatsoever. This old refrain of the Thai authorities is even unbelievable to the Western press, which is used to Thai lies. The Western press has incessantly recalled the consequences resulting from chemical weapons the U.S. imperialists used during the war of aggression against the three Indochinese countries, particularly against Vietnam. These consequences are still very serious even today. Everyone knows that this Thai accusation is aimed only at covering up Thai hostile activities against the PRK. To support the infiltrations of the Pol Pot remnants and Cambodian reactionaries from Thailand and to facilitate the destructive activities of these groups against the peaceful life of the Cambodian people, the Thai authorities continue to deliberately and savagely violate the PRK sovereignty and territorial integrity. During the first week of December, Thai L-19's, A-37's, and F-5's made 29 reconnaissance flights over many areas of the border provinces, namely Preah Vihear, Siem Reap-Oddar Meanchey, Battambang, Pursat, and Koh Kong. More seriously, on 30 November, Thai reconnaissance aircraft violated Cambodian airspace up to 90 km inside the country.

The PRK Foreign Ministry categorically rejects the Thai authorities' accusation and vigorously denounces all hostile Thai violations of Cambodian territory. The Thai authorities must put an immediate end to these activities and must be responsible for all the consequences resulting from their actions.

[Dated] Phnom Penh, 17 December 1985

PAPER SAYS 'UNDECLARED WAR' DOOMED TO FAILURE

BK171208 Phnom Penh Domestic Service in Cambodian 1300 GMT 11 Dec 85

[PRACHEACHON commentary: "The Undeclared War Against the PRK Is Doomed to Failure"]

[Text] The PRK Foreign Ministry has just published a white book on the undeclared war against the PRK, systematically bringing out the maneuvers of the Beijing rulers working in collusion with the U.S. imperialists to make use of the genocidal Pol Pot gang and other reactionary henchmen against the revival of the Cambodian people over the past 7 years. The highlights of this undeclared war are that, on the one hand, Beijing, in collusion with Bangkok, has fed, supported, and armed the Cambodian rebels entrenched in Thai sanctuaries and in positions along the Cambodian-Thai border, using them as a springboard for subversive and interference activities and for the implementation of maneuvers to create two zones and two administrations to facilitate the overthrow of the PRK.

On the other hand, they have conducted a general war of sabotage on all fronts -- economic, political, and diplomatic -- and psychological warfare aimed at weakening and toppling our people's republican regime and creating a confrontation in the region.

Despite their serious setbacks, particularly during the 1984-85 dry season, Beijing and their henchmen continue stubbornly to refuse to give up their dark designs. According to the FAR EASTERN ECONOMIC REVIEW of 23 June 1985, in order to come to the rescue of these reactionary Cambodian groups, China sent her largest arms shipment to these reactionaries, the bulk of which was destined for the Pol Pot adherents, in an attempt to prolong their life and beef up their strength. Another fact showing that China and her henchmen do not renounce their ugly tricks is that the Chinese rulers summoned Sihanouk, Son Sann, and Khieu Samphan to go to Beijing from 7 to 10 December to discuss and draw up new maneuvers and gave orders to these lackeys to continue carrying out the undeclared war against the PRK and the three Indochinese countries, undermining the trend toward dialogue now taking place in Southeast Asia. As for the U.S. imperialists, they have continued to conspire with the Chinese expansionists-hegemonists in supporting and assisting the reactionary Cambodian groups both covertly, through the so-called humanitarian aid and overtly, through their \$5-million aid. Moreover, the United States has increased aid to Thailand, raising it to \$110 million, and every year it conducts a joint military exercise with Thailand code-named "Cobra Gold" in the Gulf of Thailand near the Cambodian border for the purpose of provoking, menacing, intimidating, and threatening the fighting spirit of the Cambodian people and revolutionary armed forces. According to THE NATION REVIEW of spring 1985, U.S. and Thai officials have already discussed the restoration of existing U.S. military bases in Thai territory if necessary.

All these developments have compelled our people and armed forces to continue heightening vigilance. But the resolute struggle of our army and people, enjoying the assistance of the Vietnamese volunteer troops, has recorded great successes, having so far frustrated to an important extent the adversary's undeclared war. It is true that all the dark designs of Beijing in collusion with Washington cannot obstruct the steady advance of the Cambodian revolution. Thanks to the gradual growth of its own forces in all fields, combined with the force of the firm Cambodia-Vietnam-Laos militant alliance and the sincere support of the Soviet Union, other socialist countries, and the progressive mankind throughout the world, the Cambodian revolution has won great successes in all fields over the past 7 years, setting up a basis for the effective implementation of the resolutions of the fifth party congress in the advance toward more and greater successes.

Once victims of the genocidal Pol Pot regime -- lackey of Beijing -- and currently victims of the undeclared war by Beijing and its satellite forces, the Cambodian people do not wish for anything more than to live in peace with independence and freedom in order to rebuild their own country. For this reason, together with the SRV and the LPDR, we have put forth good-will proposals as specified in the white book. Together with all parties, we want to reach a proper settlement through peaceful negotiation in order to resolve all problems in the region in the interest of peace and stability in Southeast Asia. Our correct policy conforms with the aspiration of the people in the region and with the trend toward dialogue which is pushing ahead in Southeast Asia and the world. We are firmly confident that the constructive position of the PRK, as affirmed in the white book, will receive the approval and support of peace-loving progressive forces having sincere goodwill to contribute to build a peaceful, stable, and cooperative Southeast Asia. The undeclared war against the PRK is doomed to failure.

DIRECTIVE ISSUED ON CELEBRATING VPA FOUNDING DAY

BK171439 Phnom Penh SPK in English 1122 GMT 17 Dec 85

[Text] Phnom Penh SPK December 17 -- Varied functions will be held in Phnom Penh and provincial capitals in celebration of the 41st anniversary of the Vietnam People's Armed Forces (Dec. 22). According to a directive from the Commission for Propaganda and Education of the Central Committee of the People's Revolutionary Party of Kampuchea, talks will be given at the Kampuchea-Vietnam Friendship Association, public offices, mass organisations, factories and army units on the heroism of the Vietnamese combatants on internationalist missions in Kampuchea. In Phnom Penh, a meeting will be jointly organized by the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland and the Defence Ministry. Other meetings are to be sponsored at provincial capitals by people's revolutionary and front committees and visits will be paid to Kampuchean and Vietnamese army units and to hospitalized soldiers as well.

CGDK COMMUNIQUE ON USE OF TOXIC CHEMICALS

BK170321 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 15 Dec 85

[15 December communique of the CGDK Foreign Ministry "denouncing and condemning once again the Hanoi Vietnamese for increasing the use of toxic chemicals to massacre the Cambodian people"]

[Text] At the beginning of the 8th dry season, 1985-1986, the Hanoi Vietnamese once again used toxic chemicals to savagely and barbarously massacre the Cambodian people everywhere because they are deeply bogged down in their war of aggression in Cambodia and cannot find the forces to resist attacks by the National Army and guerrillas of Democratic Kampuchea and by the Cambodian people on the battlefields throughout the country. Profiting from the dry season, in which there is little water, the Hanoi Vietnamese enemy aggressors spray toxic chemicals in water sources in which there is little water, such as ponds, rivers, lakes, and creeks, which the people use every day. Furthermore, they fire toxic chemicals with their mortars and cannons and even spray these toxic chemicals from their aircraft over populated areas. Toxic chemicals sprayed from aircraft fell over roofs, crops, vegetables, and leaves. Those who ate these vegetables were killed. Moreover, these toxic chemicals are dry and spread through the air. These toxic chemicals cause irritation. Those who inhale them are killed and there is no way to help them.

At the beginning of December 1985, the Vietnamese sprayed toxic chemicals in ponds and creeks in many provinces. Particularly in Kompong Chhnang, Pursat, Battambang, Siem Reap, Kompong Thom, and Preah Vihear Provinces. Hundreds of people who used water from these ponds and creeks were affected by these toxic chemicals. At the same time, the Vietnamese sprayed toxic chemicals in water sources in Bavel District, Battambang Province. Five persons were killed, 17 others were seriously affected, 20 others were less seriously affected, and many others were mildly affected. Among those affected were many girls, women, and children. The symptoms are blisters on the mouth and skin, coughing up blood, and inability to urinate. It is necessary to note that even those who were not previously affected by these toxic chemicals and who helped and served the victims, were also affected and some of them died without any way to help them.

The CGDK used to denounce and condemn successively the Hanoi Vietnamese enemy aggressors for their crimes in using toxic chemicals to savagely kill the Cambodian people and for ignoring international opinion and international law, which prohibit the use of these toxic chemicals. The CGDK again firmly denounces and condemns the great crimes of the Hanoi Vietnamese enemy aggressors. The CGDK would like to appeal to all peace- and justice-loving countries in the world and particularly to the United Nations to continue to denounce and condemn the crimes of the Vietnamese aggressors more vigorously and to take effective measures to check these crimes.

[Dated] Democratic Kampuchea, 15 December 1985

[Signed] Foreign Ministry of the CGDK

VODK NOTES SUCCESS OF DELEGATION'S PRC VISIT

BK160529 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 15 Dec 85

[Station commentary: "The CGDK Delegation Successfully Concluded Its Visit to the PRC"]

[Text] On 10 December, the Democratic Kampuchean delegation led by Samdech Norodom Sihanouk, president of Democratic Kampuchea; His Excellency Son Sann, prime minister of the CGDK; and His Excellency Khieu Samphan, vice president of Democratic Kampuchea, successfully concluded its visit to the fraternal PRC. This visit has further strengthened the traditional and long-standing bonds of friendship between our two countries and peoples -- Cambodia and China.

During this visit, our Democratic Kampuchean delegation held successive talks with His Excellency Li Xiannian, president of the PRC; His Excellency Zhao Ziyang, premier of the State Council; His Excellency Deng Ziaoping, chairman of the Central Advisory Commission of the Communist Party of China; and His Excellency Hu Yaobang, general secretary of the CPC, with the participation of many important leaders and responsible persons of the Chinese party and state. During these talks, our Democratic Kampuchean leaders told the fraternal Chinese leaders about the developments in all fields -- military, political, and diplomatic -- of our people's struggle and the increased solidarity of our CGDK.

The Chinese leaders highly praised the just struggle of our Cambodian people against the Vietnamese enemy aggressors and race exterminators. They also declared their firm, warm support for our Cambodian people's struggle. The Chinese leaders said: The struggle of the Cambodian people is not only for the independence and liberation of Cambodia, but it is also in opposition to hegemonism and for the defense of peace and stability in the Asia-Pacific region. This struggle is a common struggle, in which we must assist one another. They stated: The solidarity among the Cambodian people, Cambodian patriotic forces, and the CGDK is the most important factor of the Cambodian people's struggle against the Vietnamese aggressors. The firm struggle of the Cambodian patriotic forces under the leadership of Samdech Norodom Sihanouk and the CGDK will make the Vietnamese encounter many more difficulties, and this struggle will receive more assistance, support and sympathy from many more countries.

The Chinese leaders stressed: This is the way to settle the Cambodian problem quickly in conformity with the UN resolutions. They stated: The prime and basic condition for resolving the Cambodian issue politically is for the Hanoi Vietnamese to withdraw all their aggressor troops from Cambodia.

The new maneuver being staged by the Hanoi Vietnamese will definitely be defeated. They noted: The struggle of the Cambodian people against the Vietnamese aggressors for national salvation during the past year includes a new development and has received more sympathy, assistance, and support from the international community. This is due to the courageous struggle of the Cambodian army and people. They firmly stressed once again that China categorically supports the struggle of Democratic Kampuchea against the Vietnamese aggressors for national independence and liberation and it will continue this support until the Cambodian people achieve final victory. They emphasized: If the victory of the Cambodian people's struggle takes 100 years, China will continue to assist and support the Cambodian people for 100 years.

These statements by the Chinese leaders have shown once again the Chinese people's and government's deep sentiments of friendship toward our Cambodian people and their resolute and unwavering support for our people's just struggle against the Vietnamese enemy aggressors in the defense of our nation and race. This is a great encouragement to the Cambodian people, the Cambodian patriotic forces, and the National Army of Democratic Kampuchea, who have waged a bloody struggle on the battlefields against the Vietnamese enemy aggressors and expansionists. These statements by the Chinese leaders have made the Cambodian people, the Cambodian patriotic forces, and the National Army of Democratic Kampuchea more resolute in strengthening their solidarity, raising higher the banner of struggle, and waging more a vigorous struggle against the Vietnamese enemy aggressors and expansionists until the Cambodian nation is completely liberated. The correct, just, and firm stand and attitudes of the PRC are not only an encouragement and contribution to the struggle for national liberation of the Cambodian people and CGDK, but they also encourage independence-, peace-, and justice-loving forces throughout the world and contribute to the defense of peace and stability in Southeast Asia and the Asia-Pacific region.

Therefore, this visit by the Democratic Kampuchean Delegation to the PRC has been a success. The Cambodian people and their friends near and far throughout the world are satisfied with the success of this visit. The entire Cambodian people, the National Army of the Democratic Kampuchea, and the CGDK are very satisfied with this visit, and they hope that the traditional friendship and militant solidarity between our two countries and peoples -- Cambodia and China -- will develop further and last forever, during many succeeding generations.

SRV PLANES BOMB VILLAGE 2 DECEMBER; 4 KILLED

BK180224 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 17 Dec 85

[Text] On 2 December, seven Vietnamese Mi-24's bombed Andaot village in Baray District, Kompong Thom Province, killing 4 people, including children and women, and wounding another 10. This is a new great crime of extermination against the Cambodian race by the Vietnamese enemy aggressors on top of the countless crimes and massacres against our innocent Cambodian people throughout the country. Faced with this great crime, the Cambodian people everywhere, in and out of the country, are determined to unite under the CGDK's leadership and increase their forces to fight more vigorously against the Vietnamese enemy aggressors until they are forced out of our territory.

3 THAI COMMANDOS KILLED IN BORDER SKIRMISH

BK161228 Vientiane Domestic Service in Lao 0430 GMT 16 Dec 85

[Text] According to a report, refusing to abandon a scheme to subvert the political tranquillity and social order of the LPDR, during October and November 1985, the Thai ultrarightist reactionaries arrogantly sent a commando unit to carry out spy missions and to create disturbances among our people in some localities in Sayaboury Province. While the commando soldiers of the Thai reactionary clique were carrying out a clandestine mission, they were promptly intercepted by local guerrilla militia forces and people. As a result, three commandos were killed on the spot, including Phan Nanai, who was the leader of the commando unit; one was wounded and two others were captured. One pistol, 3 AK rifles, 1 M-79 gun, over 100 rounds of ammunition, 1 tape recorder, 1 camera, 1 radio transmitter-receiver, and some war materials were captured.

KPL REPORTS PHOUN SIPASEUT-WOLFOWITZ MEETING

BK171031 Vientiane KPL in English 0907 GMT 17 Dec 85

[Text] Vientiane, December 17 (OANA-KPL) -- Phoun Sipaseut, vice-chairman of the Council of Ministers and minister for foreign affairs of the Lao PDR, received here yesterday Paul Wolfowitz, U.S. assistant secretary of state in charge of Asia and Pacific affairs. Also in attendance were Souban Salitthilat, deputy-minister for foreign affairs of the Lao PDR, and Ms. Theresa A. Tull, charge d'affaires a.i. of the USA Embassy here. During the meeting, the two sides discussed the regional situation, the relations between the two countries and other issues of mutual interest. Paul Wolfowitz and his delegation arrived December 15 and left here yesterday. The delegation was farewelled by Souban Salitthilat and Ms. Theresa A. Tull.

LEADERS GET GREETINGS FROM U.S., UK, AUSTRALASIA

BK161019 Vientiane KPL in English 0905 GMT 16 Dec 85

[Text] Vientiane, December 16 (KPL) -- President Souphanouvong has received messages of greetings from the leaders of Australia, the USA, and the United Kingdom on the occasion of the 10th Lao National Day. Also on this occasion, Foreign Minister Phoun Sipaseut has received greetings from his counterparts of New Zealand and the USA.

COUNCIL OF MINISTERS RULES ON STATE ENTERPRISES

BK161023 Vientiane KPL in English 0903 GMT 16 Dec 85

[Text] Vientiane, December 16 (OANA-KPL) -- The Council of Ministers has issued here a decree on the promulgation of provisory rules for state-enterprises. The decree is published today by the daily PASASON. The rules are stipulated in six chapters subdivided into twenty articles. The first chapter deals with the general principles of state-enterprises, and the other chapters concern the enterprises' assets, their production and management, and the implementation of the rules. These rules become effective as from the date of signing on Nov 19, 1985, and are amendments to the documents No. 217 on state-enterprise principles dated May 27, 1980

ROK OFFICIAL'S VISIT FOCUSES ON TRADE ISSUES

Meeting With Prem

BK161520 Bangkok Domestic Service in Thai 1300 GMT 16 Dec 85

[Text] At 1515 today at Government House, ROK Deputy Prime Minister Sin Pyong-hyon, accompanied by Deputy Prime Minister Phichai Rattakun, paid a courtesy call on Prime Minister General Prem Tinsulanon on the occasion of his official visit to Thailand between 15 and 19 December. The prime minister welcomed the ROK deputy prime minister and his delegation, and had a friendly conversation with the visitors.

On the occasion, both agreed to expand the trade ties between Thailand and South Korea in order to reach a set target, and agreed to cooperate in various fields, such as technological and technical areas. The prime minister invited South Korea to increase investment in Thailand. Representatives at various levels can meet to discuss and resolve any problems that might occur in a friendly manner. He also stressed the long, good Thai-Korean relations, and hoped the visit by the ROK deputy prime minister and delegation would be successful.

Tariffs, Investment Discussed

BK170816 Bangkok Domestic Service in Thai 1300 GMT 17 Dec 85

[Text] Deputy Prime Minister Phichai Rattakun and party held official talks with ROK Deputy Prime Minister Sin Pyong-hyon at Government House this morning. The meeting lasted for about 1 and 1/2 hours. Here is a summary of issues discussed during the meeting:

The meeting emphasized Thai-Korean economic, trade, and investment cooperation. The Thai side informed its South Korean counterparts that Thailand's policy is to export products to correct trade deficits with foreign countries. If there are any problems, the Thai side is willing to hold meetings to discuss and resolve them in a friendly manner. On this occasion, the Thai side raised several issues for their South Korean counterparts to consider, such as tapoica -- on which Thailand asked South Korea to reduce duties on imports from Thailand from 20 percent to 7 percent. South Korea agreed to lower the tax in April. It is a temporary reduction, however. Thailand, therefore, asked South Korea to consider reducing the tax permanently.

The Thai side also asked South Korea to buy more corn and rubber from Thailand. There have been some contacts with the South Korean private sector on the kind and quality of rubber they need. Thai farmers are facing marketing problems for their stevia since they cannot sell their products. Accordingly, the Thai side asked South Korea to consider buying stevia from Thailand. In addition, the Thai side pointed out that South Korea has levied high import taxes on some kinds of products -- for example, as much as 50 percent on imported canned pineapple. The South Korean counterparts were asked to consider lowering this tax.

South Korea mostly opens its market freely for foreign industrial products and high technology from developed countries. The Thai side, therefore, asked them to buy agricultural products from Thailand. As Thailand has a policy of expanding foreign investment, it will offer South Korea the opportunity to invest in industries producing electrical appliances and television tubes. The Thai Government will provide every convenience.

HA TUYEN FORCES CAPTURE CHINESE SPIES, SCOUTS

BK161546 Hanoi Domestic Service in Vietnamese 1400 GMT 16 Dec 85

[Text] Stepping up the emulation movement to firmly maintain political security and public order and safety, the public security forces in Ha Tuyen Province have worked in close coordination with the armed forces and militia in the border areas. They have stood firm in their localities, have carried out household control work, and have promptly exposed and captured scores of Chinese spies and scouts who infiltrated into the province to establish contact with local reactionaries. Yen Minh District is organized so that tens of thousands of tribesmen can study security regulations and sign emulation contracts to protect their villages and hamlets and struggle against all the psychological warfare maneuvers of the enemy. To date, 14 villages and 28 organs, enterprises, and forestry (?sites) in the district have built 200 people's security teams with thousands of members regularly participating in various activities. In Son Duong District, implementing the formula of linking economic development with national defense work, each production team of agricultural cooperatives and each village has organized a militia company while various organs, enterprises, and forestry sites have organized their own self-defense battalions. More than 2,000 demobilized officers and combatants have joined the local reserve regiment.

HANOI CITES KONG KORM ON PRK WHITE BOOK

BK170502 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Dec 85

[Text] On 4 December, the PRK Ministry of Foreign Affairs held a press conference to introduce the white book entitled: "The Undeclared War Against the PRK." Comrade Kong Korm, member of the KPRP Central Committee and first deputy foreign minister, chaired the press conference. Attending this press conference were many Cambodian and foreign journalists and press attaches of foreign countries in Cambodia. At the press conference, Comrade Kong Korm, after denouncing the Chinese expansionists' crimes in helping the Khmer reactionaries violate Cambodian sovereignty and territorial integrity and undermine the Cambodian revolution, reviewed the great achievements scored by the Cambodian people. Comrade Kong Korm said: The Cambodian people, as well as the Vietnamese and Lao peoples, have endured much suffering and have made many sacrifices in the struggles against the French colonialists, the U.S. imperialists, and the Beijing expansionists over the past several decades. For this reason, they now wish to live in peace and independence. This has been made clear in the statements of the three Indochinese countries foreign ministers' conferences, especially in the statement of the conference held in Phnom Penh in August 1985.

As a result, the PRK, together with the SRV and LPDR, has firmly maintained its just cause and attitude of goodwill to contribute positively to building Southeast Asia into a zone of peace and stability. He concluded: The Cambodian situation is irreversible. At present, the Cambodian people, under the light of the resolution of the Fifth KPRP Congress, are strengthening their solidarity to overcome all difficulties caused by various enemies and are striving to build a peaceful and independent Cambodian nation to advance gradually to socialism.

Answering newsmen's questions on the UN decision to maintain the Cambodian seat at this world body for the so-called Coalition Government of Democratic Kampuchea -- in reality the Pol Pot group in disguise -- Comrade Kong Korm affirmed: The Cambodian revolution is advancing forward. Domestic affairs are factors deciding the Cambodian people's fate. Ignoring this reality, the United Nations is continuing its error. We believe that, sooner or later, the PRK, which is effectively administering all tasks of the Cambodian nation, will obtain the sole and legitimate right to represent Cambodia at the United Nations.

ACHIEVEMENTS OF SRV TROOPS IN CAMBODIA NOTED

BK170305 Hanoi Domestic Service in Vietnamese 1400 GMT 16 Dec 85

[Text] Group 19 of the SRV Volunteer Army in Cambodia, together with the local troops and people, put out of action thousands of enemies. The 6th unit and 52nd, 54th, 55th, 56th, 57th, and 59th detachments are units that have satisfactorily developed combat and combat-support tasks. They have held fast to their areas and stayed close to the people, thus, together with their friends, satisfactorily fulfilling all assigned tasks.

Officers and combatants of Group 19, together with their fraternal Cambodian forces, have satisfactorily carried out tasks on motivating the people, strengthening the Armed Forces, and protecting the administration and people's lives and properties. Through the revolutionary [word indistinct], the contingent of officers and combatants of the group have firmly grasped the situation. Together with their Cambodian friends, they have turned 50 percent of the villages in 11 districts into comprehensive firm and strong villages -- 10 weak villages into fairly strong ones; and 49 fairly strong villages into strong villages. They have also helped consolidate 276 production solidarity teams, thereby building bases for development of revolutionary movements in local groups. The group also helped its Cambodian friends in establishing five army detachments, especially the newly established security detachment, which has scored outstanding military exploits in combat against the enemy.

LE DUAN, PHAM VAN DONG GREET LAO LEADER

OW121652 Hanoi VNA in English 1526 GMT 12 Dec 85

[Text] Hanoi VNA Dec 12 -- General Secretary of the Communist Party of Vietnam Central Committee Le Duan and chairman of the Council of Ministers Pham Van Dong have extended their warmest greetings to Kaysone Phomvihane, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers of Laos on his 65th birthday. In their joint message of greetings, the Vietnamese leaders say:

"With their spirit of indomitable revolutionary struggle, their intelligence and courage, the heroic Lao people have, over the past dozens of years, under the correct leadership of the L.P.R.P. headed by you, repeatedly recorded great victories of historic significance in achieving the national democratic revolution throughout the country. Particularly in the past ten years since liberation, they have obtained big achievements, taking the country step by step to socialism.

"These achievements have greatly contributed to the common victories of the three Indochinese countries' revolution as well as to the struggle for peace, stability and cooperation in Southeast Asia, and to the cause of peace, national independence, democracy and social progress over the world. In your responsible mission you have always cared for the consolidation and strengthening of the special solidarity, the great friendship and the comprehensive cooperation between Laos and Vietnam and for the strengthening of the Laos-Kampuchea-Vietnam militant alliance, a decisive factor for the victories of each country's revolution and of the three Indochinese countries as a whole.

"We would like to wish you best health so as to, together with other Lao party and state leaders, lead the Lao revolution to new successes. Please, accept our communist greetings".

DIPLOMATIC RELATIONS WITH CUBA CELEBRATED

BK151542 Hanoi Domestic Service in Vietnamese 1430 GMT 6 Dec 85

[Report on meeting held in Hanoi on 6 December to mark the 25th anniversary of the establishment of diplomatic relations between Vietnam and Cuba -- portions recorded]

[Summary] A grand meeting was held at the municipal theater in Hanoi on the evening of 6 December by the Vietnam Committee for Solidarity and Friendship with the People of Other Countries and the Vietnam-Cuba Friendship Association to mark the 25th anniversary of the establishment of diplomatic relations between the SRV and the Republic of Cuba, 2 December 1960-2 December 1985. "Attending the meeting as its presidium members were Comrades Chu Huy Man, Hoang Tung, Hoang Minh Giam, Nguyen Thi Dinh, and many representatives of various organs, sectors, and mass organizations at the central level.

"Also participating in the meeting presidium were Revolutionary Commander Juan Almeida Bosque, Politburo member of the Cuban Communist Party Central Committee, vice chairman of the Council of State, chairman of the Cuban Communist Party Control and Revision Committee, and head of the visiting Cuban party and state delegation; members of the delegation; and Cuban Charge d'Affaires in Vietnam Maria Micaela Ramirez. "

Following the opening speech by Hoang Tung, Vice Foreign Minister Hoang Bich Son warmly welcomed the visit to Vietnam of the Cuban party and state delegation on the occasion of the 25th anniversary of the establishment of diplomatic relations between the two countries. He highlighted the close fraternal militant solidarity between the two people during the years of arduous struggle and selfless construction for the revolutionary cause of each country, which has been concretized in the treaty of cooperation and friendship signed between the two countries in 1982.

"Comrade Hoang Bich Son expressed the Vietnamese people's joy over the growth and maturity of the revolution in each country and thanked the party, government, and people of Cuba for their wholehearted support to Vietnam in its past anti-U.S. resistance for national salvation and present struggle for national construction and defense. Touching on the present situation, Comrade Hoang Bich Son denounced the reactionary forces for colluding with the imperialists in seeking every available means to oppose Vietnam, undermine the Indochinese revolution, and threaten regional peace and stability. He also denounced the U.S. imperialists for refusing to draw on the experience of defeat by adopting an extremely bellicose and reactionary policy against the revolutionary movement around the world, including Central America and the Caribbean region.

"On behalf of the Vietnamese people, Comrade Hoang Bich Son protested and demanded that the Reagan administration immediately put an end to its hostile policy and acts of aggression against the Republic of Nicaragua and voiced full support for the correct and constructive stand of Cuba and Nicaragua which is aimed at restoring peace and stability in the region. He affirmed the Vietnamese people's determination to always stand by the side of the people of El Salvador, Guatemala, Chile, and other Latin American countries in their heroic struggle against dictatorships and fascist regimes -- lackeys of the U.S. imperialists -- and reaffirmed support for the constructive peace initiatives and proposals put forth by the Soviet Union aimed at preserving peace and averting the danger of nuclear war. Comrade Hoang Bich Son concluded:

[Begin Hoang Bich Son recording] "Our countries are now facing many colossal revolutionary tasks. However, with our tradition of solidarity in the past and with our close fraternal friendship, it is certain that we will continue to write up many new pages in the history of the exemplary Vietnam-Cuba friendship and comradeship in our struggle at present and in the future. As we had united and won victories in our struggle in the past, we will unite ever more closely and win still greater victories in our struggle at present and in the future. On this joyful occasion, let us convey our most sincere and profound gratitude to the party, government, and people of Cuba for their valuable and wholehearted support to the revolutionary cause of the party and people of Vietnam over the past years." [applause] [end recording] Addressing the meeting, Comrade Maria Micaela Ramirez, Cuban charge d'affaires in Vietnam, expressed the great joy of the people of Cuba and Vietnam on the occasion of the 25th anniversary of the establishment of diplomatic relations between the two countries. She said: "This relationship, which has undergone tests, remains absolutely loyal to the principles of proletarian internationalism." After reviewing the close relationship between the parties and people of the two countries over the past 25 years, Comrade Maria Micaela Ramirez affirmed the support of the party, government, and people of Cuba for the peace initiatives put forth by Vietnam aimed at solving the so-called Cambodian issue and turning Southeast Asia into a zone of peace, stability, and cooperation.

Delegation's Visit Reviewed

BK100417 Hanoi Domestic Service in Vietnamese 1430 GMT 9 Dec 85

[Text] At the invitation of the CPV Central Committee and the SRV Council of State, a Cuban party and state delegation led by Juan Almeida Bosque, member of the Cuban Communist Party Central Committee Political Bureau, vice chairman of the Council of State of the Republic of Cuba, and chairman of the Cuban Communist Party Central Committee Control Department, paid an official friendship visit to our country from 4 to 8 December 1985. During his stay in Vietnam, Comrade Juan Almeida Bosque laid a wreath at Ho Chi Minh Mausoleum and visited President Ho's lifetime home and work place. He was cordially received and had a talk with General Secretary Le Duan of the CPV Central Committee and Truong Chinh, member of the CPV Central Committee Political Bureau and chairman of the SRV Council of State.

Comrades Le Duan and Truong Chinh praised Cuba for its revolutionary achievements and wished the fraternal Cuban people new achievements in their glorious revolutionary undertaking. They also expressed the warm friendly feelings of the Vietnamese communists and people. Comrade Juan Almeida respectfully conveyed Comrade Fidel Castro's cordial greetings to Comrades Le Duan and Truong Chinh and other leaders of our party and state. He expressed his joy over his visit to Vietnam and expressed his admiration for the Vietnamese people's efforts and achievements in implementing the current revolutionary tasks. At the same time, he asserted once again the strong support of the Cuban party, government, and people for the Vietnamese people's national construction and defense. Senior General Chu Huy Man, member of the CPV Central Committee Political Bureau and vice chairman of the SRV Council of State, warmly received and exchanged views with Comrade Juan Almeida Bosque on issues of common interest in a spirit of solidarity and unity. He also attended the main activities of Comrade Juan Almeida Bosque and others members of the Cuban delegation. On this occasion, the SRV Council of State decided to confer the Ho Chi Minh Order on Comrade Juan Almeida Bosque for his outstanding contributions to the development of militant solidarity and the fraternal relations of friendship and cooperation between Vietnam and Cuba.

At the solemn award ceremony in the Presidential Palace, Truong Chinh, member of the CPV Central Committee Political Bureau and chairman of the SRV Council of State, pinned the Ho Chi Minh Order on Revolutionary Commander Juan Almeida Bosque. Comrade Juan Almeida Bosque attended the meeting to commemorate the 25th anniversary of Vietnam-Cuba diplomatic relations. At the meeting, the representatives warmly praised the relations of pure friendship and militant solidarity which have tied the Vietnamese and Cuban nations for a quarter of century. They also appraised the beautiful comradeship and fraternity between the peoples of the two countries. These are the sentiments of loyalty that will be profoundly engraved in the hearts and minds of the Vietnamese and Cuban people generation after generation. Comrade Juan Almeida Bosque and other delegation members visited the Hoa Binh hydroelectric power plant project site, Lang Son Province, and Ho Chi Minh City. They were warmly received by the leaders and people of the visited localities, who reflected the warm friendly, and fraternal relations between Vietnam and Cuba. On 8 December, Comrade Juan Almeida Bosque and his delegation left Ho Chi Minh City, beautifully concluding his official friendly visit to our country.

NHAN DAN EDITORIAL ON SOCIALIST PROPERTY

BK151215 Hanoi Domestic Service in Vietnamese 2300 GMT 5 Dec 85

[6 December NHAN Dan editorial: "Protect Socialist Property"]

[Text] Socialist property includes that of the state, the cooperatives, and other legal organizations of the people. It constitutes the material wealth of the socialist regime, the physical strength of the security and national defense system, and the source of well-being and happiness of our entire people. Protecting socialist property is not only the obligation and responsibility of the state managerial apparatus but also of each citizen and of society as a whole. Abolishing bureaucratic centralism and state subsidies and switching to the socialist accounting and business transaction system in accordance with the spirit of the resolutions of the fifth party Central Committee's sixth, seventh, and eighth plenums will create more favorable conditions for strengthening the protection of socialist property. By the same token, effectively protecting socialist property will contribute to our efforts to strongly switch to the new mechanism of management. Many sectors, localities, and establishments have attached utmost importance to the management and protection of socialist property. The Lam Thao Super Phosphate Plant in Vinh Phay, the Coc 6 Mine in Quang Ninh, the Department Store No. 2 and the Thanh Cong Textile Mill in Ho Chi Minh City, and so forth, which have at their disposal large amounts of supplies, raw materials, equipment, and spare parts, have set many good examples of protecting socialist property.

After the resolution of the fifth party Central Committee's eighth plenum was issued, numerous factories, construction sites, state stores, cooperatives, transportation units, and so forth, now obliged to check their calculations carefully and conduct their business transactions efficiently, have adopted many procedures and regulations to protect socialist property and to offer rewards or impose penalties in a strict and fair manner in connection with the performance of this duty.

Generally speaking, however, serious violations of socialist property are still rampant. These violations have been most frequent in four fields of activities: production, transportation, distribution-circulation, and warehousing; in five sectors: food, home trade, foreign trade, supply, and communications-transportation; in four big cities: Hanoi, Ho Chi Minh City, Haiphong, and Quang Nam-Danang; and in the trading of 10 kinds of goods: grain, nitrate fertilizer, coal, petroleum, cement, chemicals, steel, timber, fabrics, and medicines.

Connivance and collusion between dishonest merchants, speculators, smugglers, and crooks in society at large and degenerate and deviant elements in the state apparatus in violating socialist property have caused considerable losses to the economy, adversely affected security and public order and safety, and caused breaches for the enemy to take advantage of to carry out his multifaceted war of sabotage against our country. Protecting socialist property has become a hard and complex struggle and a task that is both urgent and protracted. To fulfill this task, it is not enough to implement any single, separate measure. What is required is the simultaneous and well-coordinated application of a combination of drastic measures linked with the struggle between the two roads and the struggle between us and the enemy. Successful measures to protect socialist property can be found in life itself and in the dynamic and creative activities of the various establishments and the people. The successful experiences of many localities have shown that, first of all, we must step up political and ideological education among cadres, party members, and the people, thereby inculcating in everyone a sense of respecting and protecting public property, absolutely practicing thrift, and resolutely opposing corruption and wasteful habits.

At this juncture, the content, form, and method of these educational measures should be realistic, incisive, and practical. We must study the living conditions and thoughts of the popular masses of all strata and have a good understanding of their aspirations and needs. We should bring into full play the aggregate strength of all levels and sectors and of the entire party and people and closely coordinate with various administrative and economic measures to create a vigorous revolutionary mass movement for the protection of socialist property. Public opinion must be mobilized to condemn all acts of violating socialist property. It is necessary to strengthen law and discipline and uphold the socialist legal system in economic management and in protecting socialist property. Law must be scrupulously enforced, the working people's right to collective mastery respected, and courageous people who expose violations of socialist property protected. Protection of socialist property must be carried out on the basis of abolishing bureaucratic centralism and state subsidies and of switching to the socialist accounting and business transaction system. Effective protection of socialist property through the enhancement of management and control and inspection activities will contribute to achieving high productivity, quality, and efficiency in production and business transactions.

The criminals, however, are always on the lookout for breaches and loopholes in our managerial work so as to continue violating socialist property by resorting to new tricks and methods. For this reason, in our concrete struggle, we should promptly learn from our experiences and overcome our shortcomings so as to constantly improve our mechanism of management. The struggle to protect socialist property within the state apparatus can obtain good results only if it is closely linked with the struggle against speculators, smugglers, and counterfeiters. This struggle should be waged in accordance with the mechanism of the party's leadership, the people's mastery, and the state's management. Each party organization must serve as an impregnable bastion to lead the masses in protecting socialist property and each party member must act as a truly exemplary vanguard.

The working people are the collective masters in production, distribution, circulation, economic management, and in protecting socialist property. By bringing into full play the working people's collective mastery, relying on the people's eyes and ears, winning their support, and listening attentively to their opinions, we will have every favorable condition for satisfactorily carrying out the task of protecting socialist property.

VO VAN KIET ARTICLE ON PLANNING WORK, PART I.

BK101011 Hanoi NHAN DAN in Vietnamese 23 Oct 85 pp 2, 4

[First installment of article by SRV Council of Ministers Vice Chairmen Vo Van Kiet: "Some Thoughts on Renovating Planning Work"]

[Text] Following the Dien Bien Phu victory and the liberation of the northern part of our country, a new strategic task was set forth: Build socialism. In other words, half the country, considering socioeconomic development to be the central task, was resolved to tackle the problems facing the life of the people in the north, while supporting the struggle to liberate the other half of the country and preparing the premises and certain conditions for the entire country to embark on socialist construction following the total victory of the revolution. Along with socializing industrial establishments, cooperativizing lands, and nationalizing key branches of the circulation and distribution sector, the north embarked on planning work. Planning has been carried out in the northern part of our country for 30 years. Since the great victory in the spring of 1975, this work has been performed on a nationwide basis.

Although the next part of this article will deal with the shortcomings in planning work, we can affirm that for 20 years in the north and 10 years in the entire country, planning work made important contributions to reforming, reorganizing, developing, and advancing our economy from the status of spontaneous development to that of targeted and oriented development. The north successfully protected national construction work against the U.S. imperialists' schemes of fierce attacks and sabotage and effectively aided the revolutionary movement in the south. Over the past 10 years, our entire country has gradually overcome the consequences of the former war and the enemy's new acts of war, as well as many extremely grave ordeals to achieve glorious successes in many spheres.

We praise the efforts of the entire planning sector -- from those comrades who started to learn the trade 30 years ago to those who have been given systematic training and equipped with scientific knowledge, and from those cadres who perform planning work at worksites, state farms, state forests, cooperatives, enterprises, and service establishments to those who assume responsibility on a larger scale in every locality, every sector, and the whole country. We are boundlessly grateful toward those comrades who have devoted their lives to the planning sector, and those who have sacrificed their lives or become disabled and incapacitated during the performance of their duties.

The party and state are always concerned about planning work. We still remember that during the early days of the formation of the planning sector, it was Comrade Premier of the Government Pham Van Dong himself who directly assumed the post of chairman of the State Planning Commission.

Today, naturally, planning work has made progress in many fields. There is now a massive contingent of knowledgeable and experienced planners, and, at the same time, planning methods have steadily improved with each passing day. However, the party Central Committee was still not pleased with planning work at its most recent meeting. The resolution of the party Central Committee's eighth plenum evaluated planning work as follows: "We still continue to carry out planning and socioeconomic management purely on the basis of the supply and delivery system and with economic accounting being merely a formality and a falsehood. This mechanism places restrictions on production and business units, making them passive and dependent. It neither encourages nor compels them to pay attention to labor productivity, product quality, and economic efficiency."

This criticism is found not merely in the eighth plenum resolution alone. The issue of renovating planning work has been raised in the resolution of the fifth party congress and in various resolutions of the party Central Committee and the Political Bureau. Planning work is the central link of the entire socialist system of economic management. If the goal of the socialist economy is to constantly increase the production force to meet more and more fully the demands of the people's lives -- demands that never cease to grow and become increasingly complex -- the central instrument for achieving this goal can be none other than planning. In a broader sense, planning is essential to all of man's activities; it involves the selection of the way and the arrangement of the methods for reaching a certain objective. In the usual sense of economic management, planning is a process of selecting the objective and finding the way and defining the methods for reaching that objective during certain periods of time.

In socialist production procedures, the nature of planning is to synchronize the economic activities of the socialist state and its economic agencies with a view to managing and regularizing social production on the basis of bringing into full play the system of economic, natural, and socio-psychological laws. This is the general principle of all planning tasks no matter where the socialist state is located on earth.

However, the premises and conditions of the plenary task vary from one country to another and are determined by past production standards, specific historical background, and the immediate political duties at hand. The planning task must be subject to and must serve the socioeconomic viewpoints even though it can always have a contrary effect: The planning task detects, supplements, and adjusts issues concerning the socioeconomic viewpoints and institutions and acts as a mechanism for validating information through realistic testing. Nevertheless, the planning task is always and primarily the product of a definite socioeconomic viewpoint and system. In our country, the planning task is performed in rather special circumstances. If we do not seek to thoroughly understand these circumstances, in the future it will be difficult to improve the central role of planning in the process of socioeconomic and cultural development in the country.

Vietnam's planning sector is now 30 years old. However, when it was 20 years old, before April 1975, the planning task was actually performed in wartime for only half of the country, and it did not follow the normal procedures. The main goal of the socialist revolution in the north during those 20 years was to support and aid the national democratic revolution in the north. Even the political and socialist economic sectors could not develop all their integrated strength because of the following reasons: First, it was impossible to have a perfect socioeconomic institution for only half the country. Second, it was impossible to fulfill the construction demands of the north only in the interests of the north, even in the political field. Third, it was impossible to bring into full play all the economic laws in wartime when unexpected changes in social life constantly occurred and even the parameters basically changed before and after a bombardment. Fourth, factors of stability could not be secured when the economic potential of the north considerably and decisively depended on the non-refundable aid to fraternal countries. If we must call a thing by its name, then the planning task in the north during those 20 years involved mostly the distribution of foreign aid to us.

Since 30 April 1975, we have performed the planning task for the whole country. However, for the first 5 years, the planning task in both regions was still based mainly on the material capacity left us by the past. These bases did not reflect faithfully the standard of our own production.

Moreover, major political events occurred at that time. While we had to stabilize the situation in half of the newly liberated country and in the whole country after 30 years of fierce war, new problems arose on the southwestern and northern borders -- which were actually two wars -- and we had to cope with the plots and acts of blockade and sabotage by the enemies both inside and outside the country. Non-refundable aid decreased unexpectedly. Some items of the aid were terminated definitively. Actually, we have engaged in relatively significant planning work for only 5 years now, in still not-quite normal conditions. Along the northern border, we have to cope with a multifaceted war and we have to fulfill our obligations to the two fraternal countries. In general, an appropriate proportion of budget, labor, and social products must be devoted to national defense.

Obviously, when pointing out these objective aspects, we do not mean to belittle our subjective shortcomings. The various party resolutions have stressed that our subjective shortcomings in socioeconomic management in the past 10 years are the main obstacle to economic construction in our country. What every one of us has seen and the eighth plenum resolution has stressed is that the system of bureaucratic centralism and subsidization has caused heavy damages. This is the most serious illness in the operational system of the country and we have proceeded from that system to perform our planning task. The system of bureaucratic centralism and subsidization is the produce of a long period which we are compelled to observe in order to be able to concentrate on the armed struggle to defeat the enemy. However, it is insufficient to say that this system is the inevitable consequence of war. This outdated system originated from deeper historic causes.

We have begun our planning work by learning from the experiences of fraternal countries. Although learning is necessary, we have made a mistake in applying almost mechanically the experiences of those countries of which the socioeconomic characteristics differ from ours and the standards of production forces and relations far exceed ours. The circumstance of war has again forced us to continually maintain the system of centralism and subsidization to ensure victory over the enemy. As a result, the system of bureaucratic centralism and subsidization has taken deep root in all the socioeconomic activities from the way of thinking to the way of doing things.

Moreover, this system is heavily influenced by the class and patriarchal viewpoints. The system of bureaucratic centralism and subsidization restricts and even rejects a series of economic laws such as the production of goods in a socialist society in relation to the law of value; the problem of the relationship between plans and markets; the problem of handling peacetime relations between authority and responsibility and between obligations and benefits of workers; the problem of leverage policies; and the question of production and business. The system of subsidization evidently denies the role of labor productivity because it disregards profits and losses in production. It rakes even all results, equalizes all efforts, and practically eliminates all concepts concerning the production and loss of assets, good and bad performance, and contributors and hangers-on.

The system of bureaucratic centralism and subsidization has not only caused material losses to the country, but has also created conditions for the emergency of ways of thinking and moral qualities which are inconsistent with socialism. It has fostered and spread the habit of lowering the standards of life and struggle and backed several reproachable maladies, such as telling lies, seeking fame and position, flattering for favor, and practicing opportunism. Against such a background, planning work obviously can neither ensure its scientific character nor play the role of coordinator, motivator, adjuster, and deployer of the entire country's socioeconomic formations.

Moreover, our planning service has shortcomings. For this reason, the common mistake found in our economic plans is that they reflect merely our own requirements and desires, not the second program of our party, a program of action reflecting reality and the objective laws. Only for a few years now, the planning work -- mainly of the State Planning Commission -- has definitely improved a little because of the general changes in the process of improving the management system according to each resolution of the party Central Committee and its Political Bureau. However, such an improvement is not really fundamental: it still looks like patchwork, involving merely some portions of the work and mostly only on paper.

We understand that the situation in our country has not been totally stabilized. Part of our border is still faced with a type of war and we still have to continually fulfill our obligations to our friends as well as to remain constantly vigilant against the plots of sabotage by all kinds of enemy while our economy is still rife with serious imbalances and our demands are great, primarily the demands of the people's livelihood because of the rapid increase in population. This is a reality that cannot be belittled in the planning process. The second factor is that after all consideration is made, our planning work is still based mainly on the general advance of agriculture, a largely backward and shattered agriculture that is based on a series of easily changing conditions some of which are merely "hazard," as weather conditions.

The third factor is the uneven level of national economic development. These are differences in the levels of production forces and relations among the various sectors and regions. The differences among regions are at times too large from the standpoints of material and technical facilities and the potentials of each locality in turning out assets. These potentials are still latent in some regions and time is needed to turn them into real assets. The fourth factor is the economic relations of our country with other countries. These relations depend on the effect of the international market and our economic pledges with other countries according to the scale of expanding our economic activities. Although these relations are not always favorable, they remain an extremely important factor that affects the process of national industrialization.

The fifth factor is that even with our determination to abolish the mechanism of bureaucratic centralism and the system of subsidization, our policies still cannot rapidly develop their effects. The struggle for dominance among different concepts for socioeconomic management may take place, and differences may persist. A "chaotic" situation is a reality that is hard to avoid, especially at a time when we have yet to uniformly and thoroughly renovate the mechanism and to arrange the machinery and personnel for developing and employing this mechanism.

The sixth factor -- which is also the last -- rests with the planning sector itself. We have followed the beaten track for too long; and it is, therefore, not easy to find a new way even when the general mechanism has been imposed considerably. In a way, planning has not only failed to contribute toward accelerating the renovation of the general mechanism, but it has also created restrictions and obstacles that hinder the renovation process and even oppose the requirements for renovation.

We can cite the major shortcomings in planning work, not formerly but today: Plans are unrealistic and originate from subjective requirements -- namely the country's specific needs for grain, foodstuffs, consumer goods, raw material, supplies... and plans must be based on theory to achieve "a balance." The biggest imbalance -- which is seldom analyzed when assessing a planning period -- is that between our subjective desires and our actual capabilities.

Proceeding from this wistful starting point, planning work has been carried out in accordance with a series of criteria imposed by higher echelons as well as with a series of directives and regulations, all having the effect of law that are not much consistent with the various policies and economic incentives. We have talked about "doing planning work from the bottom up," and we have actually begun to do so. However, first, with the still prevalent mechanism, plans of basic units must account for the restrictions imposed by policies and system, some of which are obsolete, to meet the call for "observance of discipline."

Faced with the choice between producing wealth but violating regulations and probably courting many troubles in the process and continuing to sustain failures and losses but being left alone and even earning praise, basic units must go for the second option. Second, although we speak of doing planning work from the lower level, the higher level continues, with all their "justifiable" arguments, to apply pressure for the purpose of ensuring at all cost the fulfillment of the norms set by upper echelons. Third, the upper echelons, in the name of the entire cause, set very rigorous requirements, but often fail to provide sufficient material conditions for the basic units to carry out their plans. Being inherently imbalanced with the prescribed tasks, supplies are often "diverted" to other unplanned purposes. Fourth, planning organs have proved less effective in dealing with the various sectors and localities, especially the sectors. Theoretically, planning organs are regarded as centers for coordinating and adjusting the activities of various sectors and localities; but in reality, they only "have a name but no substance," or they also stand in line like other specialized organs.

In general, the objective of planning work in our country from now to the end of this century is to accelerate industrialization, the central task of the transitional period. The quality of planning work must be evaluated in two aspects: The gradual and continual improvement in the people's livelihood and the accumulation by the state, which is the aggregate result of production development. This will result in ever better maintenance of internal security and national defense and in progress in the social, cultural, and other fields. What available preconditions do we have now to implement the aforesaid planning work? Currently, we possess the following five sources of potentials for economic development:

1. the source from the state-run economy;
2. the source from the collectivized economy;
3. the source from the joint state-private economy;
4. the source from the private economy; and
5. the source from imports.

The recognition of these five sources of potentials in theory has been proven by the realities of socialist construction in many countries, including ours. However, as far as the socialization of production is concerned, we should look straight at the not so happy fact that the socialization level still remains too high to reach, while our actual capability for socialization is still poor. Much remains to be done to further consolidate the state-run economy so that it can play a truly leading role, and to systematically transform other economic components so as to gradually enhance their socialist character. Regarding the political aspect -- namely the administration and the whole superstructure -- we already have socialism. However, the efficiency of the administration at various levels in adjusting the economic structure and in handling daily affairs still remains poor. For this reason, the development of the actual capacity of each of the above-mentioned sources is limited.

It can be said that we hold in our hands the chief means for building an ideal society, a society that is necessarily characterized by its capacity for producing sufficient wealth to meet social demands in keeping with the progress of civilized life. We are trying to build a meaningful material-technical basis of socialism right in the initial stage of the transitional period. In the future, in developing the five sources of potentials, we must take into account the following viewpoints:

- We must recognize the enterprises' and cooperatives' right to limited ownership over the basic means of production and, on this basis, respect the basic units' autonomy in business.
- It is necessary to place the production of goods within the socialist category, to recognize that the means of production are also goods, and not to regard the production of goods as a manifestation of the individual economy.
- We must recognize the family-run economy as a component of the socialist economy that needs encouragement to develop in the right direction.
- In particular, although the application of the law of values has touched off many debates, reality always remains a criterion of the truth. Reality has proved that value and use-value constitute the double character of goods. As everyone knows, to pay attention to use-value is correct, but not to pay special attention to the value of goods may cause disasters related to bureaucratic centralism and subsidization.
- Another issue concerning us is now clear: Proceeding with our recognition of the law of values, we have come to better understand the law of supply and demand in achieving a balance between goods and money and to recognize the objective necessity and role of the market as an amalgamation of all exchange and trade relations that connects production with consumption, its ultimate end.

On the other hand, under the current conditions of the country, fulfilling potential still depends a lot on nature. The foundations on which to plan assume only a relative value because the proportion of agricultural products in the total volume of social products is still too high and these products are the most subject to change, and also because manual labor still plays an important role because of low levels of industrialization and agricultural mechanization. It is therefore not hard to understand why a factory may complete its plan two months ahead of schedule as a result of having enough electricity and raw and other materials, or that a factory must stop production because of interruption in the supply of materials and electricity. A locality can have a bumper rice crop owing to good weather conditions and plenty of fertilizer, fuel, and insecticide coming on time from higher echelons. On the other hand, a promising harvest might suddenly turn bad because of unexpected storms and drought which upset all calculations.

Evidently, this does not mean that we cannot plan our economy. On the contrary, we should plan and do our planning work on condition that we plan appropriately in line with the real situation of the country and that through each planning step we can gradually create the various levels at which to unify common standards and to make plans increasingly effective.

We were formerly fumbling to learn. At one time, our plans eliminated all economic laws to support merely the system of subsidization, initiating the slogan: "quantity, rapidity, quality, cheapness" while the guarantees for stabilized production had not been secured.

Now, we must remember that although they are also doing planning work, most of the fraternal socialist countries have far surpassed us in the field of industrialization. While we are still in the initial stage of the transition period, our fraternal countries have already experienced the period of developed socialist construction. Without planning, we shall get nothing. However, if planning is wrong, we shall have to pay a high price for future accomplishments, and the highest price to pay is the prolongation of poverty and backwardness. All plans, no matter at what level, are considered realities if they provide guarantees for fulfilling goals. Even those bases still in the form of latent potentials must always prove to be exploitable and useful. Here, there is also the matter of the plan's time limit that is the specific steps we must take to initiate the course of economic building. Since the economy is heavily unbalanced, we are not capable of fulfilling all objectives.

In planning, we must know how to select priority objectives and ensure targeted balances for those objectives. On the basis of implementing these priority objectives -- fundamental tasks of the economy -- we will create conditions for settling other tasks. Meanwhile, some other objectives will not be balanced at the appropriate levels. After all, this is the art of selecting priority objectives in doing planning work. The question of "who will defeat whom" is not an abstract concept, a general act, or a resolution with a symbolic punch. "Who will defeat whom" asks: who will have the highest production volume, the highest productivity, and the highest quality, and who will run the business with the best results and turn out much social wealth in close connection with the interests and ever better working condition of workers? The struggle of "who will defeat whom" is taking place rather fiercely in the field of distribution and circulation -- the market. If we can control the market and prices, we will gain a good position from which to make a decisive step toward victory in the near future.

REPORTS OF TOXIC GAS USE IN CAMBODIA REJECTED

OW180911 Hanoi VNA in English 0826 GMT 18 Dec 85

[Text] Hanoi VNA Dec. 17 -- According to Western reports on Dec. 16, the Supreme Command of the Thai Army slandered that Vietnam "is using toxic gas in the war in Kampuchea". The VIETNAM NEWS AGENCY is authorized to flatly reject this ill-intended fabrication. This is a familiar act of the Thai authorities aimed at misleading the public opinion, covering up the repeated violations of Kampuchean territory by Thai troops, and backing the Khmer reactionaries in their opposition to the People's Republic of Kampuchea.

COLLECTIVE FARMERS FULFILL 1985 PRODUCTION PLAN

BK171308 Hanoi International Service in English 1000 GMT 17 Dec 85

[Text] Collective farmers throughout Vietnam have fulfilled the 1985 plan on agricultural production and are preparing for the 1986 plan. By 5 December, northern provinces basically completed the harvesting of autumn rice. Despite many difficulties caused by natural calamities, rice output in the nonflood-stricken areas in North Vietnam surpasses the plan. The rice yield in Haiphong Port City is 7 [metric] tons per hectare, and that in the northern border province of Ha Tuyen is 5.2 tons per hectare, the highest yield ever achieved in the province. In southern provinces, 400,000 hectares of autumn rice were harvested, or 30 percent of the total acreage, with a yield of about 3-4 tons per hectare.

AUSTRALIATRIP CALLED FIRST STEP TOWARDS IMPROVED RELATIONS

HK161045 Hong Kong AFP in English 0934 GMT 16 Dec 85

[By Ian Pedley]

[Text] Canberra, Dec 16 (AFP) -- Indonesia and Australia have agreed to put behind them a decade of differences and to embark on a new era of cooperation, Indonesian Foreign Minister Mokhtar Kusumaatmaja said here today. "Too much was made in the past of the few differences" between the two countries, Mr. Mokhtar said after meeting with Australian Prime Minister Bob Hawke. "We agreed that it would be good if we and Australia from now on concentrated on things where both countries see eye to eye," he added.

Mr. Hawke's office merely noted that he and Mr. Mokhtar had discussed matters of mutual interest with a "positive outcome." But the Indonesian foreign minister, on his first visit to Australia since 1978, saw the outcome as the first step along a new path of improved relations.

Indonesia's invasion of the former Portuguese colony of East Timor 10 years ago this month had until recently been a thorn in relations between Canberra and Jakarta. But Mr. Mokhtar told AGENCE FRANCE-PRESSE today: "I think that these things have been put to rest." Mr. Hawke's acknowledgment in August of Indonesia's sovereignty over East Timor meant that "we now can concentrate on things that are of importance not only to Australia and Indonesia but to the region and the whole world."

Mr. Mokhtar had a busy round of engagements today, the first of two days of official discussions during his six-day visit to Australia. These included a combined meeting with Trade Minister John Dawkins, Defence Minister Kim Beazley and Resources and Energy Minister Gareth Evans. There was no formal agenda and no details were officially released, but informed sources said that Mr. Mokhtar and Mr. Evans reviewed progress on seabed boundary talks in the potentially oil-rich Timor Gap region. While Australia was keen for an early resolution of the boundary, possibly in the form of a joint development zone, the government appreciated that Jakarta was conducting similar negotiations, which were both complicated and time-consuming, with other states including Vietnam and Malaysia, they said.

Australia currently provides military aid totalling some seven million U.S. dollars to Indonesia annually, mainly in aerial mapping and training assistance, but the sources could not say whether this level was likely to be increased. Mr. Mokhtar was also understood to have discussed with Mr. Dawkins the possibility of revitalising trade relations with Australia to help boost Indonesia's stagnating economy.

The main thrust of Mr. Mokhtar's visit will come tomorrow in a lengthy session with his Australian counterpart Bill Hayden which is expected to be dominated by the situation in Irian Jaya and the Cambodian conflict. Mr. Mokhtar made it clear after arriving in Sydney at the weekend that he was not keen on any further attempts by Australia to usurp what he sees as Indonesia's role as the spearhead of Association of Southeast Asian Nations (ASEAN) attempts to mediate in the long-running Cambodian crisis.

But he said today that Indonesia and Australia could play a significant joint role in other areas. "We do share similar views on important matters such as problems of commodities, North-South dialogue, nuclear testing, stability in Southeast Asia and the situation in the Southern Pacific," he said.

"We must concentrate on the positive things both countries can do because it is not only good for Indonesia and Australia but for our respective regions."

In a television interview, Mr. Mokhtar said he wanted to learn more of a nuclear free zone Mr. Hawke initiated at a South Pacific Forum earlier this year.

The sources said Mr. Hayden would question Mr. Mokhtar closely on Indonesia's transmigration policy and its impact on the predominantly Melanesian Irian Jaya. He would also raise the problem of more than 1,000 Irianese who have crossed the border into Papua New Guinea and who are resisting attempts by both countries for their voluntary repatriation. Mr. Mokhtar is expected to face strong questions on this issue when he addresses the National Press Club here tomorrow.

HAYDEN VOWS SUPPORT FOR MOKHTAR'S CAMBODIAN PLAN

HK171238 Hong Kong AFP in English 1102 GMT 17 Dec 85

[Text] Canberra, Dec 17 (AFP) -- Australian Foreign Minister Bill Hayden today pledged his support for Indonesia's plan for a round table conference to end the Cambodian conflict, saying it could yield a major advance. Mr. Hayden told a news conference at the end of two days of talks here with Indonesian Foreign Minister Mokhtar Kusumaatmaja that the signs from Indochina were encouraging.

"I was able to advise him (Mr. Mokhtar) today from the sources we have that it looks very much as though the Vietnamese may, in fact, encourage representatives of the P.R.K. (the pro-Hanoi Phnom Penh government) to participate in his proposals for a cocktail party," he said. But Mr. Hayden stressed the word "may", saying that it "will depend on the nature of the invitation and how the so-called cocktail party is formulated." "If this is successful it will be a very important advance."

Earlier today Mr. Mokhtar told the National Press Club here that Indonesia had received a positive response to the so-called cocktail party initiative from three of the parties directly involved in the Cambodian conflict. Only the Khmer Rouge -- pro-Beijing military lynchpin of the Cambodian resistance -- had still to reply, he said.

Meanwhile Mr. Mokhtar and Mr. Hayden today signed a new aid cooperation agreement which will allow Australia for the first time to participate in co-financing with the World Bank projects in Indonesia.

The Indonesian foreign minister is to meet business and academic leaders in Melbourne tomorrow before returning to Jakarta on Thursday.

Mr. Hayden said Australia would welcome a visit by Indonesian President Suharto at a "suitable time" but this was a separate matter and would be treated separately.

MOKHTAR DISCUSSES NUCLEAR FREE ZONE, CAMBODIA

HK170744 Hong Kong AFP in English 0654 GMT 17 Dec 85

[Text] Canberra, Dec 17 (AFP) -- Indonesian Foreign Minister Mokhtar Kusumaatmaja said here today that the South Pacific Forum had provided Southeast Asia with a likely model for establishing its own nuclear weapons-free zone.

Addressing the National Press Club, Mr. Mokhtar said he had been particularly interested in learning about the recent South Pacific anti-nuclear agreement during his talks here with Foreign Minister Bill Hayden.

Mr. Mokhtar said members of the Association of Southeast Asian Nations (ASEAN) had been contemplating the establishment of a similar zone, but Indonesia, in particular, had found some major "stumbling blocks." "One of the major impediments is that Indonesia is an archipelago sitting astride very important sea links," he said. "That is the main difficulty because there is an inherent conflict of interests between the big powers that need free transit for their vessels including naval vessels and our wish to preserve the archipelago for peaceful purposes.

"I think that the South Pacific nuclear-free zone agreement points the way out of this dilemma because it does include provisions that would enable a transit passage to be conducted through this nuclear-free zone, so I have been a very careful listener and a very thankful recipient of advice."

Mr Mokhtar, who is on his first visit to Australia since 1978, was confronted by a small demonstration on Irian Jayan issues when he arrived at the press club. But he said he did not see Indonesia's policies in Irian Jaya as likely to become a new irritant in relations with Australia.

On Cambodia, Mr Mokhtar said interest had "picked up lately" for Indonesia's so-called cocktail party proposal to end the long-running conflict. He said there had been positive responses from three of the prospective parties to the roundtable conference he is advocating. The latest was the advice from Indonesia's ambassador in Hanoi that Phnom Penh would be prepared to participate.

Mr Mokhtar said that the remaining party which had not yet given an indication was the Khmer Rouge, ousted by the Vietnamese in early 1979 and now part of the resistance coalition. Mr Mokhtar said ASEAN had been trying for seven years to persuade Vietnam to withdraw its troops from Cambodia. "But logically they would be saying, what'll I get for it," he said.

Surprisingly Mr Mokhtar was not asked a question on East Timor -- the former Portuguese colony annexed by Indonesia 10 years ago this month -- an issue which has clouded Canberra-Jakarta relations for the past decade.

MELBOURNE ON 'ENORMOUS SUCCESS' OF MOKHTAR VISIT

BK170905 Melbourne Overseas Service in English 0710 GMT 17 Dec 85

[From the "International Report" program moderated by Tony Hill]

[Text] Indonesian foreign minister, Dr Mokhtar, is making his first official visit to Australia since 1978. Today, he had 2 hours of important talks with Australia's minister of foreign affairs, Mr Bill Hayden, after which Dr Mokhtar appeared at the National Press Club, and Mr Hayden held a news conference. Radio Australia's Canberra correspondent, John Lombard, was at both events.

[Begin recording] [Lombard] By all accounts the visit by Dr Mokhtar to Canberra and his talks with senior Australian Government ministers have been an enormous success, given that there was deep suspicion in Jakarta about the Australian Labor Government when it came to power in March 1983. It is clear that the relationship is now moving into a new, more positive stage. Certainly Mr Hayden thought so at a news conference.

[Hayden] I think that Professor Mokhtar's visit to this point has been extremely successful. There have been many issues of common interests where we have been able to address ourselves productively, not the least of them, apart from the ones I have already mentioned -- not the least of them, of course -- the need for us to steadily move towards a conclusion concerning the Timor Gap in the seabed boundary between Australia and Indonesia.

[Lombard] That seabed gap, what is known as the Timor Gap, occupied much of the time of the two leaders. There has been a dispute for some years about how the dividing line should be drawn between Australia and Indonesia in that area. It is particularly sensitive because there are vast reserves of oil and gas there still unexploited. However, Mr Hayden said that agreement had now been reached that there should be a further round of talks between officials next March on a proposal that both Australia and Indonesia should enter into a joint venture to explore the region. Other issues discussed by Dr Mokhtar and Mr Hayden included the border between Irian Jaya and Papua New Guinea, the situation in Kampuchea, and what Mr Hayden described as extremely sensitive regional issues. Mr Hayden refused to give any details of what those sensitivities were, or even what general regional topics were so sensitive.

Dr Mokhtar expressed interest in the Australian initiative agreed to at the August meeting of the South Pacific Forum for a South Pacific nuclear-free zone. Indonesia, he told the National Press Club, was contemplating the introduction of a nuclear-free weapons zone for Southeast Asia, but because Indonesia is an archipelago there were important problems to be resolved regarding the transit of naval ships.

[Mokhtar] Now I see that the South Pacific nuclear-free zone agreement does find the way out of the dilemma because it does include provisions that would enable a transit passage to be conducted through the nuclear-free zone. So I have been a very careful listener and a very thankful recipient of advice.

[Lombard] Dr Mokhtar also had talks with the Australian defense minister, Mr Kim Beazley, and he was happy to recount part of that conversation to the National Press Club audience.

[Mokhtar] And I was relieved to hear him say that we are not a threat, and even if it were, we do not have the capability anyway. [Laughter] I assured him that we do not even have the intention [laughter], our interest mainly being centered on our own needs for economic development and reconstruction. I am afraid that here, Indonesia's image is too much based on our past behavior. People often forget that there has been a change of regime, and that this regime is completely different. This is not the one that engaged in confrontation and all those things.

[Lombard] Dr Mokhtar was being at his most disarming. He smiled and joked a good deal and did not duck sensitive issues. For example, he admitted that the Indonesian policy in Irian Jaya had not been completely successful or at least the policy was not perfect but it was being improved on with time. He also declined to give any advice to the Australian Government about the eight Irian Jayans who are now on the tiny Australian islands to the north of Queensland, nor would he talk about the situation in the Philippines. But if there were not any specific details coming out of their talks, both Mr Hayden and Dr Mokhtar agree that they had been very successful, and Australia's relationship with Indonesia was now very good. But Mr Hayden went on:

[Hayden] On the other hand, there is no point in seeking to slide past the reality that there are differences between us. When they occur, we have got to learn to manage them successfully. And I believe that the Hawke Labor government has been doing that on a number of contentious issues. The differences will arise because of vast cultural differences in our background, historic differences, and so on; the way which our societies operate.

But they . . [changes thought, we are neighbors, so we have got to try to learn to live together as successful as we can, managing those differences when they arise. [end recording]

DIPLOMATIC ROLE INCREASED BY NZ'S NUCLEAR STANCE

HK170332 Hong Kong AFP in English 0147 GMT 17 Dec 85

[By Ian Pedley]

[Text] Canberra, Dec 17 (AFP) -- New Zealand's rapidly widening rift with the United States over Wellington's port ban on nuclear vessels has strengthened Australia's diplomatic role in the South Pacific. Informed sources here said that the virtual mothballing of the 34-year-old ANZUS defence alliance linking the three countries because of New Zealand's anti-nuclear stance, had not diminished Washington's commitment to Australia. Instead it had increased U.S. reliance on Canberra as its major South Pacific ally.

The ANZUS crisis has also left Australia as New Zealand's only substantial ally, since Britain is in the same position as America in the face of Prime Minister David Lange's ban on nuclear-powered or nuclear-capable warships. The row between the United States and New Zealand over the ban broke out in earnest in January and anti-nuclear legislation was introduced into the New Zealand Parliament on December 10.

The sources did not however believe that New Zealand's position would create any power vacuum in the South Pacific which the Soviet Union could exploit because Moscow did not rate the South Pacific high on its list of priorities and New Zealand's strategic significance was at most marginal.

But there has been concern among small Pacific nations which traditionally look to Australia and New Zealand for their defence, the sources said. The six members of the Association of Southeast Asian Nations (ASEAN) were keeping a close watch on developments since they all had an indirect stake in the ANZUS treaty and were anxious that Canberra and Washington should maintain a strong agreement for the region.

But political sources here said the situation in the Philippines had far more bearing on the future of the Pacific Rim than the U.S.-New Zealand standoff which, with no perceived military threat to either Australia or New Zealand, was more a battle of principles. A revolution in the Philippines over the next 10 years could have devastating consequences for America's big defence installations at Clark Air Base and Subic Bay.

The sources said Washington had taken a firm line against Mr. Lange's Labour government to ensure that other countries did not follow suit. They said the significance of this stand had not been lost on some left-wingers in Australia's own ruling Labor Party, who while strongly anti-nuclear did not wish to jeopardise the U.S. defence commitment to Canberra.

Paul Wolfowitz, assistant secretary of state for East Asian and Pacific Affairs, this month clearly spelled out the U.S. stance toward Wellington when he said Mr. Lange's government was undertaking actions which made it impossible for Washington to carry out its treaty obligations to New Zealand. "We don't intend to continue carrying obligations to a country that is determined not to carry out what we feel are the reciprocal obligations to us," he said.

He said if New Zealand enacted its anti-nuclear legislation, Washington would be bound to terminate its security cooperation and obligations to the country.

The United States already has withdrawn cooperation in the form of joint military training exercises and the exchange of intelligence information.

Defence sources here said this had left Australia in a tricky position. "While we're still getting the same intelligence flow (from the U.S.) we have to make sure it doesn't get mixed up with our own flow of information to New Zealand," a senior military official said. "The problem is compounded by the very close relationship between the Australian and New Zealand defence sources which means that we have New Zealand officers working alongside Australians in some sensitive areas."

Washington has also inflicted several deliberate snubs on New Zealand, the latest delivered by the State Department, which sent a senior representative to Canberra but not to Wellington as part of its world-wide briefing of Western nations on the Reagan-Gorbachev summit, observers here said.

But an Australian Foreign Affairs Department spokesman said that Prime Minister Bob Hawke's government was not rushing to enter into a new bilateral defence agreement with Washington.

The Reagan administration had made it clear that it would continue to honor its ANZUS commitment to Australia, with or without New Zealand, the spokesman said. He pointed to Mr Wolfowitz's statement this month that the ANZUS treaty remained "the framework of our alliance cooperation with Australia which we are determined to continue."

The spokesman added that the Australian Government had no intention of acting as a mediator between Wellington and Washington.

Political analysts said Mr Lange had a strong mandate from the New Zealand people for his stand, which had probably been reinforced by the actions of France, another nuclear power, in the sensational Greenpeace affair. A New Zealand court has jailed two French secret agents for manslaughter after the July sinking of the environmentalist group's flagship, the Rainbow Warrior, in Auckland Harbour, in which one crewman died.

BRIEFS

SUBMARINE BASE DEVELOPMENT PLAN -- The minister for defense, Mr Beazley, has announced that the government will develop the Stirling Naval Base at Western Australia as a major base for the Navy's submarines. The announcement was made during the Navy's official welcome to the destroyer escort, Swan, which will be permanently based at the Stirling base at Cockburn Sound. The Swan arrived at Fremantle having recently completed extensive refitting at Williamstown Dockyard in Victoria. The ship will be home-ported in Western Australia joining the Stuart as the second destroyer escort to be home-ported there. Mr Beazley said the government also intended to base elements of the Oberon submarine force at the Stirling base as soon as practicable. He said the decision to base submarines in Western Australia reflected the strategic needs of the Navy to operate on both sides of the continent. [Text] [Melbourne Overseas Service in English 0830 GMT 13 Dec 85 BK]

MALAYSIAMEDICAL AID PLANNED FOR CGDK MEDICAL PATIENTS

BK171209 Kuala Lumpur Domestic Service in English 1130 GMT 17 Dec 85

[Text] Malaysia will provide medical aid to the Coalition Government of Democratic Kampuchea -- CGDK -- for the treatment of its fighters now facing a malaria outbreak. In disclosing this, Foreign Minister Tengku Ahmad Rithauddeen said Malaysia will assist Kampuchea according to its ability. A report from Bangkok says CGDK Prime Minister Son Sann has asked countries sympathetic to the struggle of the Kampuchean people to provide medical assistance to its freedom fighters. Tengku Rithauddeen said Malaysia is sympathetic to the struggle of the Kampuchean people and will play a positive role to assist them. He was speaking to reporters after signing a condolence book opened at the Philippine Embassy in Kuala Lumpur on the death of a former Philippine foreign minister, Mr Carlos Romulo. Mr Romulo died on Sunday in Manila.

WEEKLY AIR CARGO SERVICE OPENED WITH SRV

HK140658 Hong Kong AFP in English 0648 GMT 14 Dec 85

[Text] Singapore, Dec 14 (AFP) -- Vietnam and Malaysia have opened an air cargo link without public announcement after several months of top-secret planning, diplomatic sources here said today. Airline sources in Kuala Lumpur confirmed that the first flight took off last Tuesday with unspecified general cargo for Vietnam, and returned to Malaysia carrying fresh fish and seafood. Plans were for a weekly service initially between Kuala Lumpur and Ho Chi Minh City, using a Vietnamese-owned Boeing 707 with a 30-tonne capacity, the airline sources said. The two sides reportedly hoped to increase frequency to three times a week at a later date.

The cargo service is apparently aimed at traders from the region who have been stepping up business with communist countries in the face of a recession in their traditional Western markets, the diplomatic sources in Singapore said. They said the preparatory talks were kept quiet because of regional sensitivities, as the non-communist countries of Southeast Asia are at odds with Hanoi over the Vietnamese troop presence in Cambodia. Before the Malaysian service, Thailand was the only country in Southeast Asia to have direct air links with Vietnam, serving the capital, although the Philippines has also announced plans to start flights to Hanoi. Diplomatic sources predicted the new air service would help Singapore, Malaysia and Indonesia to add value-added manufactured goods to their usual seaborne commodity exports. Although there is no trade ban except on items that can be put to military use, no details of Vietnamese trade with the three countries are available. Malaysia and Indonesia have diplomatic ties with Vietnam, while Singapore does not.

At the Malaysian end, the service was put together and run by Malaysia Air Charter SDN BHD, a privately-run company which also operates passenger flights between Kuala Lumpur and tourist spots in the region. Originally, the service was to have used the southern Malaysian city of Johore as a base because of its strategic location just across the strait from Singapore. Singapore, which has regular shipping service to Vietnam, exceeded its 1984 export figure of 72.7 million U.S. dollars by nearly 10 million dollars in the first eight months this year, according to official statistics. Fertilizers are the largest single item in Singapore's exports to Vietnam, followed by refined petroleum, downstream products, textile yarn thread and woven fabrics, the statistics indicate.

MARCOS SPEAKS AT YOUTH CONFERENCE 16 DECEMBER

HK161218 Quezon City Maharlika Broadcasting System in English 1423 GMT 16 Dec 85

[Speech by President Ferdinand Marcos at the third president's conference on development of children and youth, in the ceremonial hall of Malacanang Palace, Manila -- live]

[Text] Thank you very much, Deputy Minister (Manuel Garcia), Minister Sylvia Montes, Deputy Ministers [name indistinct], MP Benitez, the various agencies and leaders engaged in the development of youth and children, and the delegates of the private sector, my friends in the diplomatic corps, and my fellow youth leaders. [applause]

For the third time in less than 8 years, we meet again today at the conclusion of the third president national conference for the development of children and youth. The conference has been convened to assess and review policies and programs on the youth and to develop concrete programs of action to promote the well-being of the young children.

Above all, I would like to commend the various agencies of government, as well as the private institutions, which have contributed much towards increasing the welfare of our Filipino youth for in the final analysis, the true measure of success of any government, or any society for that matter, is seen in the change by way of fulfilling the dreams of the people. This is of course the absolute standard to measure the achievements of the workers, and (?before) which I was (?little) significance.

The future of the world belongs to the young. All over the world, there is dynamic change. All over the world all (?man-made) institutions are under question and everywhere, the questions are raised as to whether the ideas of the past or the ideals of the past would stand the challenges not only of today, but of tomorrow. So, when we speak of change in society, we must not speak only of our generation. We speak largely of the youth who constitute 62 percent of our population. We are a nation with just above par record of achievements in the area of child and youth welfare during the last 5 years [words indistinct] farther back in time.

It certainly is a measure of self-defense and survival [words indistinct] for one of the obligations of a reforming generation is that generation will contaminate the succeeding generations with the fire in their hearts. We seek to convert a people oppressed for 350 years and used to being treated and conquered as mere numbers, uncommitted, despairing, but, uh, resigned to desperate hopelessness, and made to believe that this was our heaven-given destiny. But this is the first rebellion. It is the path of the [words indistinct] we seek for our people. One cannot transform a race or a nation if one cannot change the indifferent souls and heart. To the hearts and soul there are questions, there's impoverishment, there's ignorance, there's alleged indolence, is lack of faith in himself, and worst of all, is his lack of identity and his lack of dignity. [applause]

And thus it is that the philosophy of the New Society is that this nation [words indistinct] will rebel against the realities of existence, that we now rebel and extol a new ideology, the ideology that first changes values, for even the universal values of freedom, justice, democracy, self-reliance have been [words indistinct] and then we speak of our concept of society, but what kind of society do we want for our people?

Do you want a society that is free, a society of equal opportunity, a society where every man can develop himself in accordance with his God-given faculties to the extent of his entire potential? We don't care whether he is rich or poor, in what manner the man or woman was born, man must live in a free, honest, and open society.

So the first element of the ideology would be so what is your opportunity to this society [word indistinct] and this is addressed to your leaders.

We must tell these people, here is an alternative society. A society which should embody the integration of your obligations, aspirations, and [words indistinct] and all of us who now seek to follow the roots of our origin to discover that we have a past of which we can be proud of, a part of culture, a past of noble traditions, and a past of courageous heroes and warriors.

And so from this alternative concept of what we want for our society, we develop the programs, the programs [words indistinct] and you discover them. [passage indistinct] you discover that your biggest potential is the young, for they are open to change. The present generation of men like me are too world-weary sometimes in the things we have accepted about our society and so we [words indistinct] the young. Cliches talk about the young as tomorrow, the young, as I said, to the young belong the new, to the young belong the future. There are no frontiers for the young.

And so, we move into specific sectors of our society as we develop the programs that will transform that society totally, not just partly, but totally. And so we move into various areas. If you recall, that 10 out of every 100 children in 1915 did not live to be 1 year old. We grieve for that. In 1965, the year before I became president or the year when I became president, 7 out of every 100 were dead before their first birthday; but by 1982, only 4 out of every 100 suffered the same fate. Conversely, the average Filipino could expect to live to be 53 years old in 1970; today, the average life expectancy of the Filipino is 63 years old. How did this come about? [passage indistinct] Basically, through the systematic, substantial improvement in the delivery of health care and nutrition services.

When you look around, you will find out that indeed, the milieu, the environment, contemporary and past, could be changed. The family health care programs and [word indistinct] strategies we have managed to control diseases and malnutrition, especially among children in school and preschool age. The target calls for nothing less than the immunization of every infant and preschool child by 1990. This should be supplemented by greater efforts in malaria and [word indistinct] control and corresponding problems to reduce the incidence of tuberculosis as well as other diseases, especially among children. We have had our setbacks, we have had our deficiencies.

And so I am pleased to note that the day care centers [words indistinct] administered by the Ministry of Social Services and Development has been increased in 5,000 in 1980 and what is it now [figure indistinct] [female voice says 13,000] 13,000 in the last 3 years [words indistinct]. The centers should now be fully utilized as channels for our health and nutrition program. Similarly, the rural health centers of the Ministry of Health should be mobilized to extend maternal care, maternal, child care, services that have been [words indistinct] mortality as well as [words indistinct]. But the first great change must and should be the transformation of the policies of social services and other services [words indistinct] the old dole system [words indistinct] converted our people into mendicants, beggars, depending upon government from the time they are, um, (?childhood), for everything almost that they needed, food, clothing, shelter.

And, uh, so the policy was adopted [words indistinct] that it would not only be social welfare, but it should be a ministry that would help convert those people into something else, into a dignity.

Education was necessary and we increased literacy from 62 percent to 92 percent. Among children of school age, 96 percent of them [words indistinct] enrolled in public and private primary schools. About 57 percent of our elementary graduates go on to secondary high schools, and 58 percent of our high school graduates qualify for college. [words indistinct] between 1979 and 1983 for children [word indistinct] to 12, their retention rate was 67 percent in '83 [words indistinct] about 65-66 in 1979. For those of school age the increase is even higher, from 72 percent to 77 percent.

In terms of literacy, we have among the highest rates among developing countries. Twenty years ago, 62 percent of our population were considered literate; today, our literacy rate has gone up to 92 percent, and perhaps in Manila, in metropolitan Manila much higher than this, closer to 100 percent. We have listened to the representatives of the special gifted children. As I look back at the beginning of working in programs that have to do with, uh, the gifted children, programs that would give them the opportunities to develop their talents to the fullest. The first lady, I see her just [words indistinct], has taken the lead in this endeavor with her scholarship program for young artists. This is, uh, some kind of activity in which she loves to participate, for she is after all, an artist at heart. When I married her, see, uh, but before I married her, of course, I courted her [laughter], she allowed me to sing to her until I discovered that she was a scholar herself. That ended my singing career. [laughter]

And, uh, ever since then, her first love of course has been her music, now, lately the Quezon City government, I understand, developed its own program for gifted children with very encouraging results. And this I would like to commend to the Minister of Education, Culture, and sports for study with the end in view of implementing it nationwide. I am sure that in this study already submitted to me, that this has been taken into account.

With our young population, it's not surprise me that the portion of our labor force is made up of workers between the ages of 15 and 24. [sentence as heard] Our current estimates put the figure at 5.2 million, and every year, 600,000 to 1 million new workers enter the labor market. I am told that the young workers, at, uh, 12 percent. This has become an area of grave concern to all of us. And to mitigate the pain of dislocated and displaced workers, we have accelerated the Kilusang Kabuhayan and Kaunlaran Program [Livelihood and Development Movement] to open up employment opportunities. For [words indistinct] and out-of-school youth, a number of training programs are being implemented so that they will acquire the skills needed for productive development. This is one of the central themes in the new Filipino ideology. In our developing nation, there is a legacy of unproductivity because of well, the colonization period and, uh, the great number of our people, sometimes, cannot produce even what they need in life: food, clothing, shelter. It is now one of the primary purposes -- in fact, it is the [word indistinct] of the ideology -- that we must convert the unproductive elements in our society into productive ones.

And this of course requires a change of heart. As I referred to, the indifference, the uncommitted ones, the resigned, resigned to desperate hopelessness, and, uh, the resignation to what they believed that you can get out of sitting under the coconut tree, waiting for the coconuts to fall. [passage indistinct] indolence [word indistinct] was our legacy.

And this is why we started the self-reliance project. We had allotted 72-73 million dollars for slum-clearing in Tondo and Mr. McNamara, the president of the World Bank, [words indistinct] had come here asking why haven't you spent that much money. And I said that because similar projects in the U.S. had ended up with slums anyway, and if we give away all this money freely to our people, without any change in attitudes, without any commitment that they would take care of these new dwellings, without any participation in the payment so that they are a part of the entire effort at improving, we may improve their surroundings, we may improve their environment, but if we don't improve their attitudes, if we don't improve their heart and souls, [words indistinct] that this will happen.

And so I insisted that the recipients of free dwelling participate in the construction of these dwellings and they participate in the payment of a part, just a part, of the amortization [words indistinct] we will teach you a job, you will become self-employed. So, we started this program of self-reliance, the livelihood program of the KKK [Kilusang Kabuhayan at Kaularan]. In time, we shall intensify the promotion of home-based children, for children that are 15 years in the skills and trades which their own (?parents) pursue.

I understand that the KKK has increased the income of those participating at least 690 pesos a month, and, uh, in these days that is quite a lot. [passage indistinct]

Why do I speak of this? Because no matter what philosophies you may spout, no matter how profound, no matter how elevated your thinking is, the laborer or the poor sectors of our society return from work with only one thought in mind: Where do I get our next meal? And in answering this, you must grapple with reality. At last, we come down to the reality of work, of productivity. And this is where [words indistinct]. For there will be a need for examples all over the corners of our country. We shall protect our children and try to provide their needs. Of course, specially those suffer fortuitous events like typhoons [words indistinct] dangerous incidents. But as we [words indistinct] used to assume the burdens of leadership through the kabataang barangay [barangay youth], through the representations of the highest councils in government -- the different sanggunian and the batasang pambansa, we must also [words indistinct], and they must go faster than we did in our youth. This is one of the phenomena in our age.

I have listened to the young leaders, and I am touched by the vehemence with which they delivered their theses. I hope that they could be able to meet the reality of hunger with the same sophistication [laughter], with the same agility, and with the same resolve and with the same ingenuity, talent.

For talent and ingenuity shows always in everything you do. I always asked this of my son, why for instance do we say we can do better than that? Because we knew what had happened before [words indistinct]. Remember Tirad Pass? And you ask yourself: Will I be able to conduct my life like Del Pilar and perhaps fight to the last man? And you say, I'll do better. [passage indistinct]

I have, uh, a, uh, decree here which I suppose even the opposition will not question in this particular month. I intend to reinstate [words indistinct]. We intend to establish a youth batasang pambansa [applause] [passage indistinct]

This and many more are what we have done to enhance participation of the youth in our country today. We intend to do even more in the coming years. This is, of course, a reflection of the entire program of government, with emphasis. The youth, of course, represents all our dreams, our visions, our hopes. And, uh, the youth is said to represent the microcosm of future society, a, uh, shall we say, a projection of our future society. [Passage indistinct] divine discontent. Now you ask anybody to define it and they will define it in many ways. But discontent is the principal element. It may be divine, it may be because of your anger at injustice, because of your reaction to the impoverishment of your people. For it is a divine kind of discontent. This is the fire which we of the older generation of leaders would like to ignite in your souls, in your hearts, and in your bodies. Never be content, especially it should start with mediocrity in your society.

I consider it my high obligation and responsibility to promote the interests and welfare of our youth, and to contaminate them with this divine discontent, for they are the children of the New Society that we love [passage indistinct] the children of that new society, born and reared during my presidency. All their lives, they have known no other president except Marcos. And I suppose this is true of all those who were within the 20 years. [passage indistinct]

You know a leader has obligations not only to his represent, but has obligations to the future. He must see to it that there is this big chain linking for all his integrated dreams, visions [passage indistinct]. It is certainly my hope that you will not experiment with any other leader in the next 6 years, [laughter, applause] [passage indistinct].

But why do I say this, as a matter of principle, because I am alarmed at, uh, let's say the indecencies, the gutter language that is even used in the Batasang Pambansa. This is not the kind of a society that we want. And these are not, the kind of examples that we should follow. We cannot [words indistinct] or overexaggerate the importance, uh, critical nature of what we are doing today. Finally we have to prepare for tomorrow and work out our ideas. We must prevent those that seek to destroy the new society or what we hope will be an alternative, better, free society. In order to [passage indistinct].

Now I voluntarily surrender those of the remainder of my presidential term because I believe we should clarify all these things. We should reject the godless ideology, and reject all those that affect the future of our country. Settle fundamental, national questions and pave the way for a national consensus, a strengthening, and give the young the right, the responsibility, and the the [as heard] opportunity to participate in this decision. And I would suggest that you think of all the issues that are involved, seize this moment to decide for yourself what kind of future you will have.

Shall we submit ourselves to this ideology and adopt the control of undemocratic society. I say, no, we cannot. The society we dream of is free, it's just, it is honest, it is sincere; [words indistinct] times in our past we approach this moment of national decision, I think that all the issues are all quite clearly defined. Whether it be in promoting the welfare of the youth in the course of the national development and growth or enhancement of national self-reliance, have dignity.

The clashing positions of those contending for leadership should be mapped out clearly. We should ask both contending parties to clarify, what do they intend for our country? What is going to happen to our young, what's going to happen to our people? Are they going to have another Vietnam, another Kampuchea, another Iran, Nicaragua, El Salvador? Are we going to end up with a civil war? I say no, we are not going to. [passage indistinct]

We must ask them the question. What are the answers to this question? And are they acceptable to the entire Filipino people? And while we do need to argue the [words indistinct], shall we allow the NPA to terrorize the countryside, allow them to coerce and intimidate? And I say no. The Filipino people must live in a free society, and that free society must belong to all, not just to a few.

We must have a free and honest election, not elections by coercion and intimidation. We must not allow any of the aliens to participate in our internal affairs. They invite them, and seek funding or financing from countries in Europe, the Americas, and other areas. And I of course refer to these efforts to obtain financing from abroad. This is political [word indistinct], and yet it is happening here and now. And I decry, I'm unhappy that any Filipino ever thinks of this.

I don't know what [word indistinct] the nationalists who fought the long, long war of rebellion almost every day during the period of colonial domination, and fought these rebellions knowing that the penalty was death. I of course [words indistinct] the communist insurgency. We don't hear what the position of the opposition is, for they have never explained, explicitly stated their stand against communism. And this is dangerous. They talk naively of coalition government, amnesty for the communists, collaboration with [words indistinct] in our society, as though this has never been tried. Indonesia tried it, and it resulted in the fall of Sukarno, and the coming of Suharto, who fought the communists. They had embedded in their own ranks [words indistinct] of violence and terrorism, which affected the civilians more than anybody.

We in the KBL [Kilusang Bagong Lipunan] of course are unequivocally declaring [words indistinct] towards conclusion of this struggle against communist insurgency. Of course, we open the doors to those who wish to return to the fold of the law. We say that communism is not compatible with our goal, but they must promise that they will give up the ways of violence.

Now, our other concern is while we were working on this conversion of the indifferent soul, as I call it, into a dynamic and resurgent heart and soul, we have been hit by a series of economic crises, and so there is an urgent need for a clear program of economic recovery. You all know what this program is? We have our guarantor, the International Monetary Fund and the World Bank. We intend to continue with the stabilization program. In out, well, let me be some kind of a teacher once again, [words indistinct].

What is the IMF and the World Bank? The IMF and the World Bank constitute the central banks of the world. These institutions were set up in 1946 in what is known as the Bretton Woods Agreement, signed by all countries in the world including the Soviet Union and the other satellite states, though they later withdrew after a time, which stabilized the currency in world countries. Because when governments first [words indistinct] tied to the gold standard, that does not mean tied to the gold standard, meaning that for every piece of paper which a government issues as currency, there is a piece of gold that backs it.

Now before this, what backed currency? Before this, one would back currency [words indistinct] volume and value of trade and production. When you produce say, for instance, \$300 billion worth of goods, you can issue \$300 billion in currency, which would be backed by your production, meaning for every piece of paper, there is a piece of goods there, there are goods there, that correspond to the value of that currency. And if it is a gold standard, there is the (?first bit), that piece of gold there which is [words indistinct] the value of the currency.

But then things went foul, and the United States got out of the old gold standard, and so we are going to follow them. And everything went haywire. Every value then went into what is known as a floating rate. What is a floating rate of foreign exchange? It is the rate of exchange that is dictated by supply and demand. If for instance you have an imbalance in your trade, and you are selling less than what you buy, then your currency becomes eroded, because you don't have productivity, as I explained before, before the gold standard was, er, adopted. And so the world recession hit us. Our exports went down [words indistinct] what are our traditional exports? There is sugar, coconut products, mineral products, like gold and copper, chromite, nickel, and [word indistinct]. These were what we called the four historical traditional products until along came the crisis.

For I insisted that we change the complexion of our exports [words indistinct]. Now we are producing so many (?new) products, like plywood [words indistinct], and coconut oil, we have an oversupply of coconut mills drying the copra, the coconut oil, and now we have [words indistinct]. Also we went into manufacturing lines and other items like furniture. We are the [words indistinct].

And so as of now 57 percent of our exports are not historical exports, they are new exports which we have brought about by the change in the economic activity of our people.

Now all of these are subject to international and foreign economic forces, meaning [words indistinct] sell coconut oil, it will depend upon the law of supply and demand, and if, let's say, the world is just like any small market, for instance, there are 100 eggs for sale, and you have 1,000 pesos worth of demand. How much will one egg cost? One thousand divided by 100. Come, tell me, your computers are working. Ten. Ten, if we follow the law of supply and demand. Now suppose instead of having 1,000 pesos demand, you have only 100 pesos demanding to buy your 100 eggs, how much would the eggs cost? One peso.

And this is how it is with the world market. Sometimes there is an oversupply of copper, and the prices of copper went down. Copper went down from \$1.27 to \$1.30 all the way down to 50 cents. And how about sugar? Forty cents all the way down to 3 cents a pound. Cost of production: 12 cents, 13 cents a pound. Every time you sell you're denied 6, 6 and 1/2 [as heard], but every time you sell, you are short-priced, say 6 cents a pound, you are losing 6 cents a pound. So why are you going to sell? [words indistinct]

And the same thing is true with, say, logs, other minerals, gold went down from 400 and something to 325, while the cost of production was [word indistinct]. So instead of [word indistinct] your former export earnings, you probably were earning only one-half of your old export earnings. And in addition to this, you used to pay \$200 million for the oil that you imported.

Now that oil was about 97 percent of your requirements, but we brought it down, we have brought it all the way down to 50 percent by developing our own indigenous sources of energy, like geothermal, the big hydroelectric plants, multiple-purpose dams, and even dendrothermal, using ipil-ipil as the fuel. Yet still, in 1980, '81, and '82, how much did we pay? We paid for our oil \$2.2 billion, 10 times, and suppose you earned before about \$4 billion, now you can earn only say \$2 billion. Because your first priority is energy, you pay \$2.2 billion for oil imports [words indistinct]. And how much do you need to spend every year? We spend about \$7 billion to keep the economy moving. And what is this composed of? It's composed of \$4 billion you earn and \$3 billion that you borrow. It is known as the trade credit, and you borrow from a private bank, and from the government, and so what you end up with is your hope to be able to borrow.

But the Mexican default, the Mexicans declared they cannot pay their indebtedness, then followed other countries, Argentina, Brazil, and others, they could not manage it. Peru said [word indistinct] we cannot pay, we'll give you 10 percent of your earnings in exports and that's about all. And so what happened was none of the foreign banks would lend us any [words indistinct] dollars for trade credit. We end up with a lack of dollars. There was a rush for dollars at any price, and this caused, of course, inflation. What was the inflation rate in October of 1984? Sixty-two percent. Now we had to stop that, how? Taking the [words indistinct], cutting down our expenditures in government by 20 percent in 2 or 3 years, including the Armed Forces of the Philippines. We had to demobilize 21,000 of our troops, and this was an awkward moment when the NPA were being strengthened by new recruits, and they hit our small detachments. Some of them [words indistinct].

Of course when you realize that this happened [words indistinct] we recovered, but we had to bring down our deficits. So we brought down the inflation rate from 62 percent to 6.89 in November, and probably this December it should go much lower. Why am I explaining all of this? To show to you what [words indistinct] crisis is to be handled. We must understand why this was brought about.

Now if for instance the opposition [words indistinct] and they won't be able to solve the economic program. They will not be able to recover at all. So you will have to meet reality, to face the fact that there are forces beyond our control. But we must [words indistinct] a little ingenuity, a little sacrifice. Our people have sacrificed for the past 3 years, and we are about to take off, why? Because the IMF, realizing that we were the only country out of 35 that has succeeded in fulfilling the conditions of recovery enforced by the World Bank and the IMF, has now started to give us new money. First they gave us \$100 million after the signing of the agreement on May 20, 1985, and this is why I'm surprised [words indistinct], they are still talking about the IMF not helping us at all. We signed the agreement on May 20. It shows how backward they are, they still don't know we signed the agreement. And they do not know we have received \$400 million, they do not know that we have received another [words indistinct] dollars of new money. It's our money, we can utilize it in any way, and that we have restructured our indebtedness.

What is restructuring, what do I mean by restructuring? Well if you are a housewife, you have borrowed money from a bank to build your house, and, er, so you, say, er, I will pay this, my salary will be sufficient, etcetera etcetera, [words indistinct] and so what do you do, if you cannot pay, say, [words indistinct] you go to the bank and say, may I have more time to pay my indebtedness? That is known as restructuring.

And we did that with our world creditors, governments and private banks [words indistinct]. We took the bitter pill, we had to cut down on our expenses in government and bring down the inflation rate, stabilize the price of petroleum which was expected to go to 50 pesos per gallon, now it's only 18, 17.80, and stabilize again, and we brought down the interest rates from 40 to 15, 17. And so we now have the banks, the private banks, lending U.S. \$3 billion of trade credit. So in that way they [words indistinct], they have restructured their loans, so that they gave us 10 years more to pay. Those that were due last year and due this year are given 10 years to pay, with 5 years grace. And [passage indistinct].

The IMF is also due to meet on December 20 to review our proposals, because we asked to review all our accounts, so it is now quite evident, even to the opposition, we are starting [words indistinct] now we have started the engine and we are about to go.

And so this is the time for this election to be called. But anyway, we have surpassed crisis, although [words indistinct] worked out a recovery program. Now let's ask everybody what they think themselves of this crisis, and what else besides. What kind of a recovery program do they want? Shall we seek stability through sacrifice, or shall we seek the moon through all those illusions about being able to borrow money from governments? I do believe the effort of recovery should be the balance between borrowing and production. If the production increases and the money supply is maintained, and I think it's quite (?possible), then, because there is full supply, the prices will then go down, and the prices are going down. [words indistinct] prices have come down. And this should be allowed to continue. Heaven forbid that [words indistinct].

Just in case an accident happens and they should win these elections, [words indistinct]. On the contrary the opposition has gone through all ways to stop the IMF, the World Bank, and the other governments from helping us. They don't care if the people suffer so long as they can attain their political objectives. Now is this the kind of leadership that you want? [words indistinct] the suffering and hunger of our people in order to attain political gain? No, my friends. Politics may be dirty, but it's not that dirty. You do not think only of yourself. [passage indistinct]

You must first of all write a book, secondly plant a tree, and thirdly [words indistinct]. Of course these are all allegorical terms, when you write a book you probably [words indistinct] than the philosopher probably meant, you write down your dreams, your thoughts. [Words indistinct] let them be contaminated with your flame [passage indistinct].

Let me plant one of the seeds here by signing this presidential decree. I sign this decree establishing the [word indistinct] and the youth batasang pambansa. [applause]

AQUINO, LAUREL ADDRESS 'BIG CROWD' IN MANILA

HK170859 Manila TIMES JOURNAL in English 16 Dec 85 pp 1, 5

[By Catalino Makabenta]

[Text] Opposition Presidential candidate Corazon C. Aquino yesterday urged Manilans to elect a "new government completely different from that of Marcos" to bring back hope to the Filipino people and insure a bright future for the country. "What we need is renewal -- genuine and complete," she told a big crowd at the Liwasang Bonifacio where she and former Sen. Salvador H. Laurel, her vice presidential running mate under the Unido [United Nationalist Democratic Organization] banner, were proclaimed as the official opposition candidates in the Feb. 7 snap election.

Top Unido officials, leaders of regional parties and opposition members of Parliament were present but the absence of big guns of rival opposition groups like former Senators Lorenzo Tanada and Jovito Salonga of Laban ng Bayan [People's Struggle] and MP Eva Estrada Kalaw of the Liberal Party [LP], was conspicuous.

Laurel, pledging to keep faith with his promise to back Mrs Aquino's candidacy to the hilt, said: "Whatever others may do, even if they abandon and junk me, we, in the Unido, will never abandon Cory. Even if you don't want to vote Doy, vote Cory." Laurel was obviously referring to recent moves by certain opposition parties and groups, notably the Laban ng Bayan coalition and the Kalaw and Salonga wings of the LP, to field their own vice presidential candidates with Mrs Aquino as the common presidential standard bearer. Mrs Aquino, however, appealed for support for the Cory-Doy ticket. "Let us think less of ourselves, and let us give more for our country," she said.

Rejecting critical views of her lack of experience in public office, Mrs Aquino commented: "Is it only experience that can make our country and people prosperous and progressive? What is more important, I think, are honesty and good faith." If elected, she said she would "not live in Malacanang." "The Philippines is a poor country. It is not necessary that the President live in a palace like Malacanang. It is the property of the people." To give the people a chance to enter Malacanang, she said she would "organize sightseeing tours so that the people can see what is inside Malacanang." Of the KBL ticket, Mrs Aquino said: "I know Marcos is a formidable foe. But I'm not scared of him because I know the strength of our people who will fight and defeat Marcos."

Receive Big Welcome in Tarlac

HK171525 Hong Kong AFP in English 1510 GMT 17 Dec 85

[Excerpts] Manila, Dec 17 (AFP) -- Mrs Aquino and running mate Salvador Laurel led a 100-car motorcade into Tarlac, the capital of her Tarlac home province. The opposition leaders were met by over 20,000 wildly cheering residents who lined the streets and jammed a central square to hear her speech. Mrs Aquino, who holds Mr Marcos directly responsible for the murder [in 1983 of her husband, former Senator Benigno Aquino], also today blamed the incumbent for the country's economic woes. "Our economy collapsed because nobody believes in Mr Marcos anymore," she told the crowd in Tarlac. She said she would try to recover wealth allegedly hidden by Mr Marcos and his "cronies" if she won the election. "We remain poor because wealth is now abroad," she added. Mrs Aquino was alluding to opposition charges that top government officials and business associates had illegally stashed away millions of dollars worth of property abroad. The issue was the subject of an aborted impeachment charge against Mr Marcos in August.

Mobbed in Bicol; Marcos Rests

HK181101 Hong Kong AFP in English 1045 GMT 18 Dec 85

[Text] Legaspi, Philippines, Dec 18 (AFP) -- Cheering crowds today met opposition candidate Corazon Aquino and her running mate Salvador Laurel here as President Ferdinand Marcos took a break from campaigning for the February 7 election. A more than 100-car motorcade from Legaspi airport to surrounding cities and towns rode at a snail's pace as throngs of people, estimated by observers to have totalled at least 40,000, surged toward a pickup truck carrying the two. The widow of Mr. Marcos' slain political foe Benigno Aquino was all smiles and constantly flashed the "L" sign with thumb and forefinger to signify "Laban" (fight), her campaign slogan.

"Excellent. We've had fabulous crowds," Mrs. Aquino told AGENCE FRANCE-PRESSE when she was asked how she found the reception given her by residents of this capital and other parts of the four-province Bicol region. Bicol's 1.8 million voters nearly went straight opposition in the 1984 general elections, opposition leaders here said.

(In Manila, President Marcos, taking a break after a sortie in his home province of Ilocos Norte yesterday, repeated in a statement released by his palace that the opposition was seeking foreign support to unseat him.)

(Marcos accused the opposition of trying to raise funds in the United States and West Germany, but did not go into detail.)

(The chief lawyer of the government, Solicitor General Estelito Mendoza, today urged the Supreme Court to allow the election to push through and reject petitions disputing the constitutionality of the law setting the snap vote. The Supreme Court decision that will finally determine whether the election will be held as scheduled is expected in the next few days.)

Mr. Laurel told reporters upon arrival here from Manila: "I'm confident that the... Bicol region will vote for the opposition. This is already being conceded by Marcos." A small civilian security force and local police failed to keep the excited crowds away from the opposition leaders, who flew here from Manila aboard separate private planes. Welcomers spilled out to the airport tarmac. Women shrieked, schoolchildren skipped school and a number of government employees in uniform left their offices to join the crowds. Yellow confetti rained from taller buildings along the motorcade route. Fathers lifted small children to drape garlands on Mrs. Aquino, who was also welcomed with brass bands. A woman in the crowd proudly held up a yellow (?half-slip). Yellow has been the symbolic color of the moderate opposition since the 1983 Benigno Aquino murder.

Manila Report

HK180426 Manila Far East Broadcasting Company in English 2300 GMT 17 Dec 85

[Text] Thousands of placard-bearing Ilocanos representing the solid north pledged anew their support and loyalty to President Marcos. They made the pledge during the Kilusang Bagong Lipunan rally held in front of the Laoag provincial capital yesterday. The rallies were composed of KBL leaders, students, kabataan barangays [KB -- barangay youth], teachers, laborers, farmers, private and government employees, as well as professionals. In his speech, the chief executive called on the people to support the Marcos-Tolentino ticket, which he said can lead the country to full economic recovery. He also announced his freeing detained Roman Catholic priest, Father Teodoro Remigio, suspected of dissident activities. The president later presented Member of Parliament Arturo Tolentino, his running mate for the coming special polls. Mr Tolentino made a revelation as he declared that he has some Ilocano blood, since his ancestors were from Ilocos Sur, later migrating to Manila and Pampanga. He said the KBL ticket must win this crucial election in order to pursue economic and political stability in the country. Meanwhile, opposition candidate Mrs Cory Aquino stamped across Central Luzon yesterday. Mrs Aquino spoke to rallies in Tarlac, Tarlac, San Fernando in Pampanga, and Malolos in Bulacan. Reports said thousands attended the Aquino-Laurel rallies there. In her speeches, Mrs Aquino called for a united effort by the people to topple the Marcos administration. She said the power to change the government is in the hands of the people. Mrs Aquino also said voting for her and Laurel would bring new hope to the country. She described the 20 years of Marcos administration as one of despair and poverty.

SOURCES SAY IMEE MARCOS TO RUN MANILA CAMPAIGN

HK171500 Manila BUSINESS DAY in English 17 Dec 85 p 19

[Text] Highly placed sources in the Metro Manila Commission [MMC] have revealed that President Marcos's eldest daughter, Imee Marcos Manotoc, will take over the presidential and vice-presidential campaign in Metro Manila, junking in the process top Kilusang Bagong Lipunan leaders in the area. The source said the KBL has reactivated the Kabataang Barangay (KB) which is the ruling party's youth political arm headed by Mrs Manotoc. Long inactive, the KB was resurrected during the KBL national convention where President Marcos and MP Arturo Tolentino (KBL, Manila) were proclaimed the ruling party's presidential and vice-presidential standard bearers, respectively, at the Manila Hotel last Dec. 11. During the convention hundreds of KB members trooped to the Manila Hotel and displayed a show of force. The MMC source said the President's main problem in the coming special poll is his credibility and stamina. To a great extent President Marcos will have to rely on his daughter's "foot soldiers" for his campaign, the source added.

SUPREME COURT ASKED TO APPROVE ELECTIONS

HK180728 Hong Kong AFP in English 0643 GMT 18 Dec 85

[Text] Manila, Dec 18 (AFP) -- The government today urged the Supreme Court to allow President Ferdinand Marcos to seek re-election in a special poll set for February 7, saying the nation's survival may be at stake. "This election is of the greatest importance to our country," Solicitor General Estelito Mendoza, the government's chief lawyer, told the court. "Perhaps the very survival, the very independence of our country will depend on who the next president is going to be." Mr Mendoza asked the tribunal to reject petitions disputing a two-week-old law setting the vote, and said it must issue a clear and unanimous ruling as soon as possible. The court's decision is expected within the next few days. The petitions are the only remaining impediments to the snap presidential poll called by Mr Marcos after 20 years in power to get a new six-year mandate for his regime, which is troubled by a communist insurgency and economic crisis. The election campaign began a week ago, when the opposition united to field Corazon Aquino for president and Salvador Laurel for vice president against Mr Marcos and his running mate maverick M.P. Arturo Tolentino.

The legal point at issue is whether the election can be held with Mr Marcos still in office. The petitioners say that under the Constitution he must resign to create a presidential vacancy for polls to be held before his term ends in 1987. Mr Mendoza said today that a postdated resignation letter filed by the president met the constitutional requirement. The resignation becomes effective the moment the poll winner's term starts, although critics have said this is deceptive because Mr Marcos would have to step aside anyway if he lost and would simply stay in office if he won. Earlier, lawyer Mary Concepcion Bautista, speaking for an activist women's group, withdrew one of the 11 petitions against the election, saying she was convinced that Filipinos were all set for the vote and wanted change. She asked the court to make a clear ruling as soon as possible to prevent the election results from being nullified on constitutional grounds.

COMELEC TO ACCREDIT MORE THAN ONE WATCHDOG GROUP

HK170852 Manila BUSINESS DAY in English 16 Dec 85 p 18

[Text] The Commission on Elections (Comelec) will accredit more than one group as its citizens arm in the coming snap elections, Chairman Victorino A. Savellano said over the weekend. The National Movement for Free Elections (Namfrel) is one of those that will be accredited but other sectoral groups are also being considered, as allowed in the Omnibus Election Code, Savellano said. Savellano said he does not expect any complications from this new Comelec policy, nor does he expect any complaints from Namfrel. "Why should they (groups) quarrel? Not unless they want to hide something from the others," he said.

The commission's plan is to accredit Namfrel as the citizens arm nationwide, with the other groups filling in on a regional or citywide basis. "Groups which want to be accredited only for specific local constituents will also be considered." Savellano said. Comelec passed last Dec. 12, resolution 1729 which sets the guidelines for the enlistment of groups and organizations as citizens arm. According to Section 52 (K) of the election code, the commission may enlist non-partisan groups from the civic youth, professional, educational, business or labor sectors. A sworn petition has to be filed before the commission alleging the following: the constituency to which it seeks to be accredited, that it is not supporting a political party or candidate within the constituency, nature of its membership, that it shall submit itself to the direct control of Comelec, that it be non-partisan and impartial during election period, that it is not under the influence whatsoever of any foreign government, and that it undertakes to police its ranks to prevent infiltration.

Either on en banc or division of the commission shall set the petition for hearing. So far, Namfrel, Philconsa, MOVERS, Jaycees and the Integrated Bar of the Philippines have expressed interest in assisting Comelec in the coming snap polls, Savellano said.

Comelec's decision to accredit more than one group as citizens arm is largely due to the reported partiality of some Namfrel members in the 1984 elections, and its being active in only 22 percent of the 90,000 polling precincts. Should any of the groups accredited show partiality to any political party or candidate, Savellano said, their accreditation may be revoked as required by the election code.

Meanwhile, 10 political groups submitted their certificates of nominations last Dec. 14, paving the way for the accreditation of the Dominant Opposition Party (DOP) today, Dec. 16. The hearing at 10 a.m. today is expected to be brief since the accreditation of the United Nationalist Democratic Organization (Unido) is now moot and academic. Other political groups which earlier sought the DOP status -- Liberal Party-Salonga wing, Pilipino Democratic Party-Laban, Nacionalista Party -- have decided to give way to Unido as they similarly nominated Corazon Aquino and Salvador Laurel as their presidential and vice-presidential candidates. There were still no withdrawals of certificates of candidacy as of last Saturday. The following parties filed the certificates of nomination: Kilusang Bagong Lipunan, Marcos and Tolentino, candidates; Unido, Aquino and Laurel; Christian Democratic Party, Edmundo Rafols Palance, president; Humanist Party of the Philippines, Godofredo Gutierrez, president and Saturnino Pilipino, vice-president; Nacionalista Party, Aquino and Laurel; Public Opinion Movement, Marcos and Tolentino; Partido ng Malayang Pilipino, Tolentino, vice-president; Social Democratic Party, Reuben Canoy, president; Liberal Party, Aquino and Laurel; and the Philippine Republican Reformist Party, Nemesio Diaz, president.

Namfrel Accreditation Opposed

HK170901 Quezon City Maharlika Broadcasting System in English 0800 GMT 17 Dec 85

[Text] Some 60 Quezon City Barangay chairmen today said that they are set to oppose the accreditation of the Namfrel [National Citizens' Movement for Free Elections] as the citizen's arm of the Comelec [Commission on Elections] in the coming polls. The group informed Mayor Adelina Rodriguez that they agreed to oppose the accreditation of the Namfrel because it is deemed to side with the opposition. The barangay chairmen said they will urge the poll body to accredit other citizen's arms but not the Namfrel. The delegation accused the Namfrel of having sided with the opposition during May 14 1985 Batasan election.

Namfrel Aims, Finances

HK180124 Manila BULLETIN TODAY in English 17 Dec 85 p 11

[Text] Davao City -- The National Citizens Movement for Free Elections (Namfrel) is "a tool only of the Filipino people, who want to have an electoral process that protects and upholds their collective will." This was emphasized by Jose Concepcion Jr., Namfrel national chairman, in a talk before the Namfrel regional meeting in this city. Responding to certain attempts to relate Namfrel to the National Movement for Free Elections of the 1950's, Concepcion said there is no connection whatsoever outside of the similarity of acronyms. "Our initial acronym which can be found in our early pamphlets was NCMFE. However, people found this difficult to enunciate, so subsequently it was changed to Nacfre. From there, it was a natural and spontaneous evolution to the present acronym. The media and the public had begun referring to the organization as Namfrel even before we adopted it in our pamphlets," Concepcion said. Concepcion said Namfrel is a unique product of the Filipino spirit of "bayanihan" -- a voluntary community effort. Its logistics come from two sources:

1. Donations, both in cash and in kind, from ordinary Filipinos, local business enterprises, and participating organizations.
2. Volunteer services on a full-time or part-time basis.

Concepcion said the movement is aware that there is a concerted effort to discredit Namfrel. "We expect this campaign to escalate even more in the coming months and to come in many forms," he said. "However, we find comfort in the thought that this attempt to discredit Namfrel only means that we are succeeding. It means that we have posed a problem to those who would manipulate elections for their own selfish ends," Concepcion said. The Namfrel chairman cited the fact that the public in general recognize the effectiveness of Namfrel in the last election. "For example, the 1985 nationwide sociopolitical survey conducted by the Bishops-Businessmen's Conference found that the great majority of the people -- over 53 percent -- agree that Namfrel helped a lot in making the 1984 election clean. A more recent survey in Metro Manila revealed further that 67 percent of the people are willing to help Namfrel accomplish its tasks in the next election," Concepcion said. He pointed out that the effectiveness of Namfrel in the last election has gained worldwide attention. "This is why, many Filipinos, here and abroad, are looking with hope to Namfrel to perform its role again in the coming election," Concepcion said.

Voter Registration Dates Set

HK180509 Manila Far East Broadcasting Company in English 2300 GMT 17 Dec 85

[Text] The new dates for the 2-day registration of voters for the 7 February elections for president and vice president will be on December 28 and 29.

The Commission on Elections [Comelec] announced the new dates after meeting on the petition by the Laban ng Bayan [People's Struggle], one of the opposition parties seeking accreditation as dominant opposition party [DOP]. Comelec Chairman Victorino Savellano said the poll body decided to designate two consecutive days for the voters registration so as not to disrupt the vacation plans of public school teachers who will serve as board of elections inspectors in the conduct of elections.

UNIFORCE, LM NEGOTIATE SUPPORT FOR TOLENTINO

HK170802 Manila BUSINESS DAY in English 16 Dec 85 p 18

[Text] Leaders of the Uniforce for Tolentino, headed by Rady Leonardo, president of the Partido ng Malayang Pilipino (PMP) [Free Filipino Party] and Rolando Carbonel, have met with Jacinto S. Tamayo and Jose Malvar Villegas, Jr., president and secretary-general of the Lapiang Manggagawa (LM) [Workers Party], on a possible coalition agreement on the candidacy of MP Arturo Tolentino for vice-president. Leonardo and Carbonel said Uniforce has been negotiating with LM on several points, which LM has demanded before it can support the candidacy of Tolentino. Among these is for Tolentino to work for the immediate release of all political prisoners, without proper charges, and the implementation of LM's proposal for dialogue with the Communist Party of the Philippines (CPP) and the New People's Army (NPA) to end the prolonged bloodshed, that he will work for the appointment of a special prosecutor to prosecute those who took advantage of the government to enrich themselves and remove all military men holding civilian posts in the government and the strengthening of the representation of labor in the tripartite system of government, labor and management in government including the appointment of a minister of labor from the ranks of the labor movement and the repeal of all anti-labor laws and presidential decrees and the immediate revamp of the military and those who have been charged with military abuse immediately prosecuted and punished and the review of all presidential decrees on arbitrary arrest and detention shall be made.

PAPER NOTES MANEUVERING IN OPPOSITION RANKS

HK171003 Manila BUSINESS DAY in English 16 Dec 85 p 20

[Text] The vice-presidential bid of former senator Jovito Salonga is seen to be part of the Laban ng Dayan [People's Struggle] coalition's bargaining leverage with the United Nationalist Democratic Organization (Unido) to achieve its demands: a common minimum program of government and sharing of dominant opposition party (DOP) status in the Feb. 7, 1986 snap presidential polls. Laban ng Bayan nominated Salonga as its candidate for the vice-presidency Saturday when negotiations between Unido and the coalition were not getting anywhere and when the Dec. 14 12 midnight deadline for filing of party nominations was getting near. Laban ng Bayan wanted Unido to sign up a coalition agreement to thresh out distribution of election inspectors apart from sharing DOP status. "Unido wants a monopoly of political power," said Salonga. "We want this power shared by the entire opposition."

Salonga's candidacy is also a hedge in case only the vice-presidency will be open for election in Feb. 1986. Speculations are that the presidential election will be declared unconstitutional thus leaving only the vice-presidential slot open. "If this happens, and it is not as remote as some think then Jovy (Salonga) can still run," Liberal Party official Abraham Sarmiento told BUSINESS DAY. Noel Tolentino of Bandila (Bayan Nagkakaisa sa Diwa at Layunin) [People's Unity in Spirit and Purpose] said that, in such case, the people will have a choice -- and one that is not limited to Salvador Laurel.

Sarmiento pointed out that Salonga's candidacy will remain until the Supreme Court, finally decides on the validity and constitutionality of Batas Pambansa Blg. 883 (an act calling for special presidential elections) and when Unido meets Laban ng Bayan's conditions of a minimum program of government and signing up of a coalition agreement. Opposition sources said Laurel has refused to sign the minimum program of government drafted by the National Unification Committee (NUC) and the Convenor's Group (CG) "because Cory (Aquino) hasn't signed it yet."

On the other issue of sharing DOP status, MP Cecilia Munoz-Palma said the Laban ng Bayan committee tasked to meet with the Unido "has been given the runaround." "Our committee was available looking for members of the Unido panel. When we confronted Ernie (Maceda) and Soc (Rodrigo), they said they were not authorized," Palma related. Other Unido committee members, Rene Espina and Luis Villafuerte, were also not available. Some observers see Unido as unwilling to yield on these two points. As MP Palma said, "These could have been settled to the satisfaction of both parties in less than a week's time...." MP Homobono Adaza of the Laban coalition said that Mrs. Aquino need not sign the minimum program of government because she already committed herself to the CG "declaration of principles" which had a more definite stand on the presence of U.S. bases in the country. The "declaration of principles" called for removal of foreign bases after 1991, the year the RP [Republic of the Philippines]-U.S. military bases agreement expires. However, should Laurel agree to a minimum program of government and the formation of a coalition with Laban ng Bayan, and should the Supreme Court decide on the constitutionality of the snap elections, Salonga will withdraw his candidacy.

As things stand, Unido and Laban ng Bayan are poised to engage in a tug-of-war for the DOP before the Commission on Elections (Comelec) when it starts hearings today. Adaza said they could have avoided competing for the DOP had they agreed to form the coalition. Adaza pointed out that Unido and Laban ng Bayan can easily agree to share election inspectors. For instance, he said, whichever political party is dominant in a region can field inspectors -- Unido in Camarines Sur or Mindanao Alliance in Misamis Oriental, among others. But Adaza thinks Unido officials are delaying agreement on sharing of DOP with Laban ng Bayan since they are confident they will get the DOP accreditation. Villafuerte earlier said Unido is sure to be conferred the DOP status since Mrs. Aquino and Laurel filed their candidacies under its banner.

Another "sticky point" that needs to be settled between the two groups is the choice of a campaign manager. Some names have been mentioned for this post: Salonga, Rafael Salas, executive director of the United Nations Fund for Population Activities (UNFPA), and Mrs. Judy Araneta-Roxas. Salonga, some oppositionists said, would be the most likely campaign manager should he withdraw from his vice-presidential bid. Salonga confirmed to BUSINESS DAY that he was offered chairmanship of the board of campaign managers for the opposition ticket.

EFFECTS OF ELECTION SPENDING ON ECONOMY NOTED

HK170931 Manila BUSINESS DAY in English 16 Dec 85 p 2

[Text] Energy prices next year may be affected by the economic and financial shock waves that could be generated by the holding of two successive elections in 1986.

Heavy campaign spending in connection with the scheduled snap presidential election in February and the local polls in May could complicate the country's debt rescheduling arrangements with its foreign creditors next year and could lead to another round of peso devaluations, tax hikes (or adjustments) and higher interest rates -- factors that exert strong influence on energy price movements, especially power rates. About \$4.5 billion of the country's total short term debt, \$3 billion of which comprises the trade facility from foreign banks, is due to expire next year. In addition, the continuing downslide in energy -- especially oil and power -- consumption by the major economic sectors are likely to pose viability problems for energy sellers, particularly the oil firms, the National Power Corp. (NPC) and other power franchise firms. This may result in new applications for energy price adjustments. High energy costs and new tax impositions have prompted reductions in the energy consumption of industries and households. New price hikes and/or taxes next year could further depress economic activity and lower energy consumption even more. Energy consumption this year tumbled by 3.5 percent to 7,698.2 million liters of fuel equivalent (MMLOE) from last year's 7,976.8 MMLOE. During the same period, power consumption in the Manila Electric Co. (Meralco) franchise area, which consumes about 70 percent of the country's total power supply, declined by 8.1 percent to 3.903 million kilowatt-hours [kwh] from 4,247 million kwh last year. With regard oil prices, a highly placed government source told BUSINESS DAY that a devaluation of the peso to the P19-P20 per dollar level can easily be covered by the Oil Price Stabilization Fund (OPSF) until election time and thus domestic oil prices will not change -- at least temporarily. However, if the peso goes beyond the P20 to the dollar range, pressure to increase oil prices could mount.

One factor currently going for the government are expectations that international oil prices will drop next year, possibly to \$20 per barrel from the present \$28 per barrel. This price reduction, if it comes about, could help minimize the upward pressure on domestic oil prices. However, such expectations are still speculative pending a final Organization of Petroleum Exporting Countries (OPEC) decision on a new production strategy aimed at regaining the oil cartel's lost world market share. Besides, an oil industry official told BUSINESS DAY that any international oil price cut may not be immediately translated into lower domestic oil prices because the oil companies will still have to dispose of old inventories that were bought at the higher prices.

In the case of power rates, a string of peso devaluations next year could force adjustments to cover not only the cost of oil used for power generation, but also to account for increased peso allotments for debt servicing. For NPC, for instance, its debt servicing next year will amount to about \$81.27 million with \$39.10 million representing debt amortization and \$42.17 million representing interest payments. Currently, there is a spreading uneasiness in business and industry over the rising cost of power. A high ranking company executive told BUSINESS DAY that many industries, especially those that are energy intensive, have already reached the threshold level beyond which it would be difficult to pay higher power rates. He warned that further increases in power rates will only result in a further slowing down of the economy. The executive, who declined identification, said the currently prohibitive costs of power are already forcing many industries to reduce production or close down completely. For example, he said a new round of rate increases will force manufacturing firms to cut their production by another 20 percent to 30 percent. Many companies are currently operating on a 20 percent to 60 percent capacity.

MARCOS SETS UP SAFEGUARDS FOR LOCAL INDUSTRIES

HK171510 Manila BUSINESS DAY in English 17 Dec 85 p 18

[By Daniel Yu]

[Text] Local industries will still be "protected" even if importation is liberalized next year. The protection to local manufacturers comes in the form of eight safeguards prescribed in Executive Order [EO] No. 1073 signed by President Marcos yesterday. EO 1073, however, lifted import licensing as prescribed under Central Bank [CB] Circular No. 1029 for all products. But the Ministry of Trade and Industry (MTI) may determine and recommend which imported products are to be subjected to import licensing.

Another safeguard is the establishment of an anti-import surge mechanism. Upon the recommendation of the MTI that an unreasonable surge in imports exists, the CB shall immediately prescribe the monitoring of imports by an appropriate government agency and require importers to secure the approval by a designated industry prior to actual importation of certain goods. EO 1073 also creates an import-valuation committee composed of representatives from the Board of Investments as chairman with members coming from the Bureau of Customs [BOC] and the CB. Two representatives will come from the private sector -- one to represent the domestic manufacturers and the other, the importers. An interagency inspection team will also be formed with the representative of the MTI as chairman and the BOC and the CB as members. This inspection team will conduct on-the-spot-investigation of traders, wholesalers, retailers, and other parties reported to trade in or to be in possession of goods imported in violation of the import licensing and BOC regulations.

Other safeguards prescribed by EO 1073 include the strengthening of anti-dumping measures, strengthening of countervailing measures, disposal of abandoned and seized products and compliance of imported products with quality standards.

MARCOS LIFTS BAN ON TWO MINES WHERE 130 DIED

HK161437 Hong Kong AFP in English 1401 GMT 16 Dec 85

[Text] Manila, Dec 16 (AFP) -- President Ferdinand Marcos has lifted a mining ban on two "gold rush" districts in the southern Philippines where landslides killed 130 people in October, the Natural Resources Ministry said here today. More than 80,000 miners, prospectors and their families began returning Friday to the mountainside mines near Monkayo and Pantukan Towns in Davao del Norte Province, ministry spokesman Danny Basubas said. He told AGENCE FRANCE-PRESSE the presidential ban, imposed shortly after two killer landslides struck the areas in October killing 130 people, was lifted by Mr Marcos Thursday on condition that safety precautions set by the ministry were followed. The Bureau of Mines has said that the landslides were caused by indiscriminate tunneling at the mountainsides which had loosened the earth.

The president announced his decision here before leaders of the miners in the area, who showed him certifications from the government's Bureau of Mines that the more than 500 tunnels had met the bureau's standards, Mr Basubas said.

Monkayo is some 900 kilometers (540 miles) southeast of Manila. Pantukan lies 100 kilometers (60 miles) farther south.

EDITORIAL ON POSSIBLE RETURN OF MARTIAL LAW

HK140950 Quezon City ANG PAHAYAGANG MALAYA in English 5 Dec 85 p 4

[Editorial: "Warning Signals"]

[Text] The "ominous signs" of another crackdown which senior Justice Claudio Teehankee warned about a few days ago may come sooner than most people think with the rash of compelling and far-reaching developments during the last few days. Among these are the Sandiganbayan decision absolving all the accused in the Aquino assassination, the acceptance by the murdered husband's widow, Cory Aquino, of a presidential draft that will pit her against a most consummate political pro in the announced snap election, and the immediate reinstatement of Gen. Ver to his former post as chief of staff of the Armed Forces. All the developments in the nation's political life are quite enough to muster the people into a fury of a concerted action heretofore unseen in these parts. And this is precisely why the people must be warned that in giving bent to their anger and frustrations through mass protest action, they might be playing right into the evil hands of the dictatorship. For there is the possibility that these realities in our political life have been so engineered precisely to warrant the declaration anew of martial rule. It is too tempting not to consider the possibility that the acquittal -- which would have backfired for the KBL campaign if Marcos is serious about elections -- was meant more to taunt the people, to cause such widespread protests that would justify renewed repression. And what could prevent the court to abide by the petitions lodged against the snap election due to its unconstitutionality? Now that Cory has thrown her hat in the ring, to call off the election by submitting himself to the court's decision would be a graceful way out of the beating the regime will definitely get in a clean and fair conduct of the poll.

If this is part of the scenario -- and most probably it is since even the KBL fears that only massive cheating can save the day for the dictator against Cory -- this could only exacerbate an already highly explosive national situation. And the next act might be too grim to contemplate: it's either more repressive and oppressive measures under martial rule or the people revolting against the tyrant's yoke. Either way is not to be wished for.

KBL MP ACCUSES U.S. CONGRESS OF INTERFERENCE

HK180156 Manila PHILIPPINES DAILY EXPRESS in English 17 Dec 85 pp 1, 6

[Text] A ranking member of the Batasan accused yesterday some members of the U.S. Congress of "brazenly interfering in the internal affairs of the Philippines" and of "trying to influence the result of the Feb. 7 election" by conducting a probe of the same charges that have already been repudiated by the Philippine legislature. MP Manuel Garcia, chairman of the Justice Committee, was reacting to reports that the U.S. Subcommittee on Asian and Pacific Affairs headed by Rep. Stephen Solarz (D., New York) was holding a closed-door inquiry into real estate transactions by Filipinos in the United States. At the same time, Garcia (KBL, Davao City) praised Rep. Gerald Solomon (R., New York), a member of the subcommittee, for criticizing the timing of the subcommittee's probe and for correctly interpreting it as an attempt to influence the Philippine election. The New York Republican congressman criticized the probe and said "the last thing in the world we want to do is to be seen as trying to influence the election of a sovereign nation," was quoted as saying. Garcia said the U.S. House's probe of real estate transactions allegedly involving President Marcos and other Philippine officials "is nothing but a brazen attempt to interfere in the internal affairs of the Republic of the Philippines."

"By initiating the probe, the Solarz subcommittee has succeeded not only in insulting the dignity and independence of the Batasan but also of the millions of Filipinos who have regarded the charge as a purely partisan move designed to vilify, embarrass and discredit President Marcos in the eyes of the Filipino people and the world," Garcia said. Garcia pointed out that the charge being investigated by the Solarz subcommittee was the same charge used by the opposition in its abortive attempt to file impeachment proceedings against President Marcos. The Batasan, by an overwhelming vote, threw out the charge because it lacked form and substance. "Because the opposition MPs had failed to produce any evidence to back up their charge against the President, Solarz is now using his power to conduct a McCarthyist witchhunt in the U.S. Congress in the hope that this will help the opposition," Garcia said. "This brazen interference in Philippine affairs violates all the tenets of international law," Garcia said. "It lends credence to reports that forces with motives more complex than just winning a propaganda advantage are manipulating the opposition in the Philippines."

MARCOS TELLS VER, RAMOS TO END FACTIONALISM

HK171010 Hong Kong AFP in English 0956 GMT 17 Dec 85

[Text] Paoay, Philippines, Dec 17 (AFP) -- President Ferdinand Marcos confirmed today he had told the Philippines' top two military officers to end rivalry amongst their followers or face dismissal. Mr. Marcos told reporters in this resort town in the northern province of Ilocos Norte that there was rivalry only "between the followers" of Armed Forces Chief of Staff General Fabian Ver and his deputy, Lieutenant General Fidel Ramos. Asked if he had told the top two soldiers to resolve the dispute or face dismissal, the president replied: "That's correct." Mr. Marcos first admitted the dispute in an interview yesterday with the U.S. Newspaper THE NEW YORK TIMES. He has "found it necessary" to retain the two officers, who have long been due for retirement, "because their followers are beginning to act separately," he said. "We are not going to allow these rivalries to weaken our armed forces," the president said.

Gen. Ver, a long-time Marcos aide, was cleared this month of the 1983 assassination of the president's main political rival, Benigno Aquino. Gen. Ramos took his place for 13 months until Gen. Ver was cleared.

2,000 MUSLIM REBELS SURRENDER IN MINDANAO

HK170506 Manila Far East Broadcasting Company in English 2300 GMT 16 Dec 85

[Text] Some 2,000 Muslim rebels have surrendered in Mindanao. In (Datu Almadong), north Cotabato, some 1,800 Muslim separatists, rebels, and supporters, including a full battalion of 602 men and its battalion commander, have surrendered to military authorities.

Armed Forces Chief of Staff General Fabian Ver yesterday accepted the mass surrender of the MNLF battalion and close to 1,200 civilian supporters. The surrenders also yielded a total of 230 high-powered firearms, including 128 garand rifles, 47 carbines, 27 armalities, a .38 caliber light machinegun, and over 5,000 rounds of ammunitions of different caliber.

Over in Zamboanga del Sur, another zone commander of the Moro National Liberation Front, together with its armed followers, surrendered to the military yesterday at Barangay (Shambulawan), Dinas, Zamboanga del Sur. [Words indistinct], alias Commander Taruc, Zone 4 commander, surrendered to Colonel Adam Jimenez Jr yesterday morning after a series of negotiations which started October this year.

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